

1. Introduction

The Housing Element provides the City with a coordinated and comprehensive strategy for promoting the production of safe, decent, and affordable housing for all within the Encinitas community.

1.1 Role of Housing Element

The Housing Element as part of the Encinitas General Plan is developed to ensure that the City establishes policies, procedures, and incentives in its land use planning and development activities that result in the maintenance and expansion of the housing supply to adequately accommodate households currently living and expected to live in Encinitas. The Housing Element institutes policies that will guide City decision-making and establishes an implementation program to achieve housing goals through the year 2021.

1.2 Local Need

The City is facing some significant challenges when it comes to meeting its housing needs --- housing costs in Encinitas continue to climb, while the availability and variety of housing is lacking. According to HomeDex, in February 2018, the median sales price in Encinitas was 43 percent higher than the median sales price for the North County region. At the same time, the City has a growing population, and its existing residents have changing needs.

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

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

1.3 Housing Element and State Law

1.3.1 Background

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

1.3.2 State Requirements

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

The California Legislature has determined that a primary housing goal for the State is ensuring every resident has a decent home and suitable living environment. Section 65588.0 of the Government Code describes the goal in detail:

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

This Housing Element addresses the 2013-2021 planning period, which extends from April 30, 2013 to April 30, 2021. Because the City did not adopt the 2013-2021 Housing Element within 120 days of the due date, Government Code Section 65588(e) requires the City to adopt the 2021 – 2029 Housing Element by April 30, 2021, an updated Housing Element by April 30, 2025, and the 2029 – 2037 Housing Element at the end of the eight-year planning period.

The Housing Element identifies housing programs aimed at new housing construction, rehabilitation, and conservation of the existing affordable housing stock. This Housing Element builds upon the land use goals and policies which are primarily concerned with where new housing is to be located and at

what density it will be constructed. Other concerns of the Housing Element include the identification of strategies and programs that focus on housing affordability, rehabilitation of substandard housing, meeting the existing demand for new housing, eliminating constraints on housing development, and maintaining an adequate supply of rental housing. The Housing Element includes Appendix A, Public Participation, Appendix B, the Housing Profile Report, and Appendix C, the Adequate Sites Inventory, which contain certain required Housing Element components.

As required by Government Code Section 64759, the City of Encinitas has completed an Environmental Assessment to analyze, and mitigate where feasible, the potential environmental effects of the Housing Element. The Environmental Assessment is incorporated herein by this reference as though fully set forth as part of the Encinitas General Plan.

1.3.3 Regional Housing Needs Assessment

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

1.4 General Plan Consistency

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

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

1.5 Public Participation

Section 65583(c)(8) of the Government Code states that, "The local government shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort." A discussion of citizen participation is provided below and in Appendix A.

The City of Encinitas conducted an extensive public outreach process beginning in 2014 to prepare a 2013-2021 Housing Element. Outreach efforts included 45 presentations, numerous mailers and ads, and community dialogue sessions attended by 479 persons. That effort culminated in the adoption of a 2013-2021 Housing Element by the City Council in June 2016 and its placement on the November 2016 ballot as Measure T. However; the voters did not approve Measure T.

The City immediately began an effort to adopt a revised 2013-2021 Housing Element to be submitted to the voters in the November 2018 election. On November 16, 2016, even before the certification of the Measure T election results on December 13, 2016, the City Council approved the formation of a Housing Element Subcommittee to work with all groups to adopt a Housing Element. The City Council held a special community workshop on February 1, 2017, attended by well over 100 people, to discuss adoption of an adequate Housing Element and also held a special meeting on February 6, 2017, at which it appointed a Housing Element Update Task Force, comprised of the Council Subcommittee and two public members, including one supporter and one opponent of Measure T. Eleven public meetings were held by the Task Force in 2017, two of which were joint meetings with the City Council, in addition to regular updates to the City Council. Additional joint Task Force-City Council meetings were held, and Planning Commission and City Council public hearings were held prior to adoption of the Element and related zoning provisions. Additionally, two stakeholder meetings were held. All meetings were advertised to an extensive mailing list (hard copy and email/e-alert) and the City maintained a web site with all information submitted to the Task Force. The meetings were attended by, among others, representatives of the San Diego Housing Federation, Building Industry Association, affordable housing and market-rate developers, and many community members. Refer to Appendix A for the public notice mailing list, public comments, Council meeting minutes, and stakeholder meeting notes. This draft Housing Element is the product of this public participation process.

An earlier draft of this Housing Element was placed on the November 2018 ballot as Measure U and did not receive a majority vote. On December 12, 2018, Judge Ronald Frazier of the San Diego Superior Court ordered the City to adopt a Housing Element consistent with State law within 120 days or by April 11, 2019.

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

Appendix A contains a summary of oral public comments regarding the Housing Element received by the City at scheduled public meetings, and the Appendix has been provided to the City Council.

1.6 Element Organization

This Encinitas Housing Element is comprised of the following sections:

- **Section 1: Introduction and Housing Element Goals, Policies and Implementation Programs** contains the Housing Element background and the requisite policies and programs to address housing need in the community.
- **Appendix A: Summary of Community Engagement** provides a summary of the community engagement activities that have occurred throughout the development of the Housing Element document.
- **Appendix B: Housing Profile Report** provides the required demographic analysis, needs, constraints, and other analyses required by state law.
- **Appendix C: Adequate Sites Inventory** provides an inventory of sites to meet the estimated RHNA need throughout the planning period.

2. Goals, Policies and Implementation Programs

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

2.1 Housing Opportunities

The City wants to encourage the construction of new housing units that offer a wide range of housing types to ensure that an adequate supply is available to meet existing and future needs. The maintenance of a balanced inventory of housing in terms of unit type (e.g. single-family, multiple-family, etc.), cost, and style will ensure that the existing variety is maintained. Each of the five communities 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. 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 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: Provide opportunities for low and moderate income housing in all five communities in the City and ensure that its location will not tend to cause racial segregation. Require 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.

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

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

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

POLICY 1.9: Support ongoing efforts of the State and Federal agencies and local fair housing agencies to enforce fair housing laws, as well as regional efforts in promoting fair housing.

2.2 Quality of Housing

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

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

POLICY 2.1: Encourage developers to provide a balance of housing opportunities.

POLICY 2.2: Continue to assess development fees on new residential units adequate to pay for all related local and regional impacts on public facilities.

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

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

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

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

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

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

2.3 Maintenance and Preservation of Housing

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

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

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

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

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

2.4 Housing Conservation

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

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

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

2.5 Removal of Governmental and Nongovernmental Constraints

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

POLICY 5.1: The City periodically evaluate adopted zoning provisions, entitlement procedures, fees and other city requirements that may create constraints to the development of housing. Should constraints be identified, actions such as amendments to policies and procedures may be implemented to reduce or eliminate those constraints

POLICY 5.2: The city will monitor non-governmental constraints, such as interest rates, construction costs, and others through consultation with developers, lenders and other entities directly involved in the provision of housing. Should constraints be identified, actions such as amendments to policies and procedures may be implemented to reduce or eliminate those constraints.

2.6 Related Goals and Policies

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 view sheds. Finally, the Public Safety Element sets forth policies to ensure the safety of the City's housing stock through such measures as code enforcement, and mitigation of environmental hazard as a condition to development.

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

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

While each of the 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, with concurrent amendments to the Land Use Element, is entirely consistent with the policies and proposals set forth by the General Plan. The City will ensure that future amendments to other elements in the General Plan remain consistent with the Housing Element.

2.7 Implementation Programs

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

PROGRAM 1: ADEQUATE SITES

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

The City of Encinitas has been assigned a total Regional Housing Needs Allocation (RHNA) of 2,606 for the 2013-2021 Housing Element, which includes 2,353 units for the 2013 – 2021 planning period and 'carryover' RHNA allocations of 253 units from the prior planning period. The breakdown of the RHNA is as follows:

TABLE 2-2: CITY OF ENCINITAS RHNA ALLOCATION 2013-2021			
INCOME CATEGORY	RHNA	RHNA CARRYOVER*	TOTAL
Very Low	587	144	731**
Low	446	109	555
Moderate	413	0	413
Above Moderate	907	0	907
TOTAL	2,353	253	2,606
*See calculation in Appendix B. Allocated proportionately to very low and low.			
** Estimated to include 365 extremely low income units and 366 very low income units.			

TABLE 2-3: RHNA PROGRESS TO DECEMBER 31, 2017				
INCOME CATEGORY	RHNA	BUILDING PERMITS ISSUED	PROJECTS APPROVED*	REMAINING RHNA
Low/Very Low	1,286	61	5	1,220
Moderate	413	4	--	409
Above Moderate	907	784	108	15
TOTAL	2,606	849	113	1,644
*See list of approved projects in Appendix C.				

The "projection period" (the period for which the RHNA was calculated) in San Diego County began on January 1, 2010. **Table 2-3** shows the City's progress in meeting its RHNA obligations to December 31, 2017 in all income categories, including both building permits issued and projects with all discretionary entitlements. The City has nearly met its total RHNA for above moderate income housing but a significant gap remains in meeting the need for lower and moderate-income housing.

Appendix C lists sites suitable for meeting the City's remaining need for above moderate and moderate-income housing. These sites can accommodate the need for housing at these income levels without the need for rezoning, as shown in Appendix C and summarized as follows:

TABLE 2-4: SITES AVAILABLE TO MEET REMAINING MODERATE AND ABOVE MODERATE RHNA				
INCOME CATEGORY	REMAINING RHNA	SUITABLE SITE CAPACITY	ACCESSORY DWELLING UNITS	EXCESS CAPACITY
Moderate	409	523	54	168
Above Moderate	15	177	--	162
TOTAL	424	669	54	299

The City has met a portion of its RHNA allocation for the low/very low income units as reflected below.

TABLE 2-5: REMAINING LOWER INCOME RHNA OBLIGATION	
RHNA ADJUSTMENTS	RHNA (V/VL)
Low/Very Low	1,286
Accessory Unit Production ¹	79
New Construction and Approved Projects ²	66
REMAINING RHNA	1,141

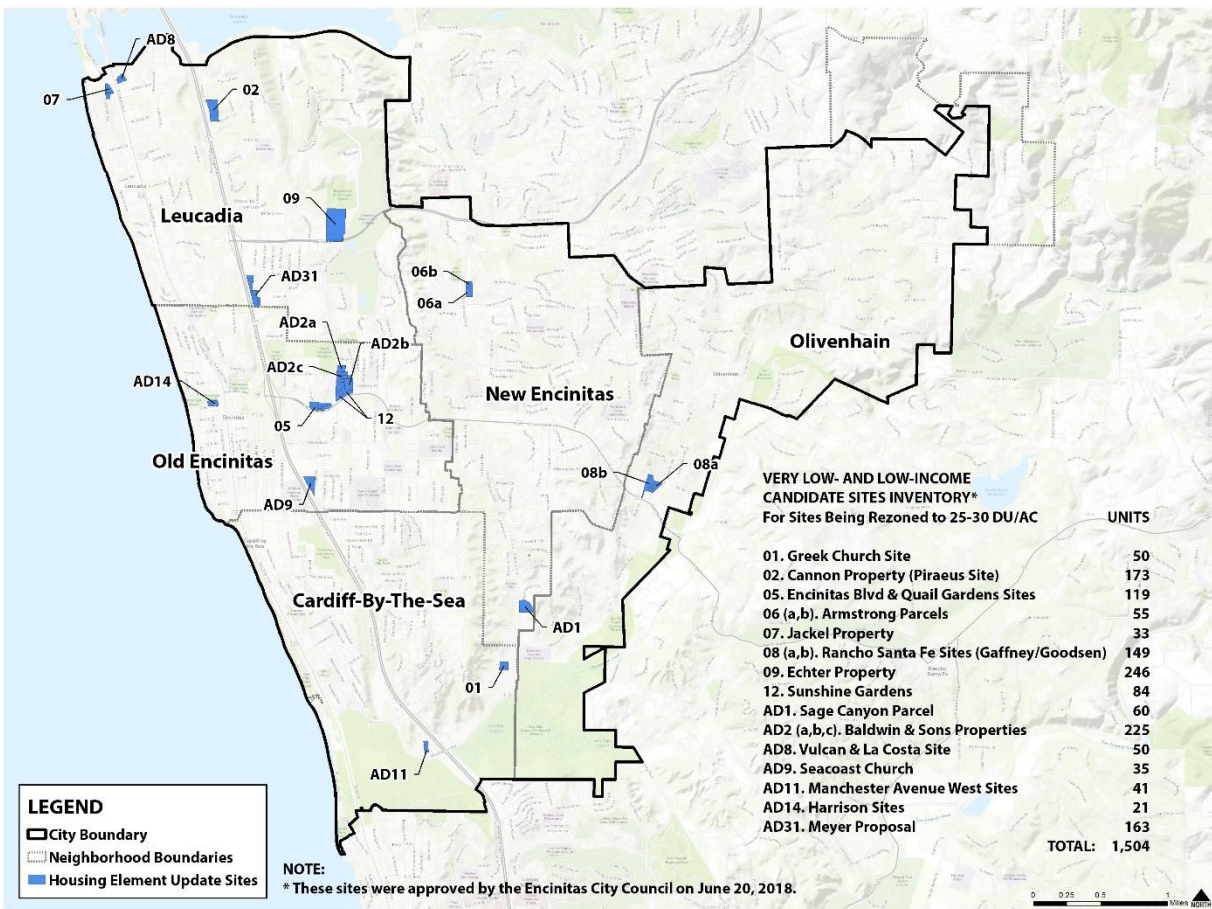
¹ Based on survey completed April 30, 2018, current rate of construction, and modifications to the ADU ordinance, projects that the City will issue an estimated 320 permits total for second dwelling units (of which 79 will be counted as units that accommodate lower income households). The April 2018 survey effort revealed that 24.6 percent of the second units granted permits since January 1, 2010 were rented at levels affordable to very low and low income households. See additional discussion in Appendix B.

² Of the 66 units, 59 of these units have been issued building permits and are deed-restricted to be affordable to very low or low income households. Two units have been issued building permits but are not deed-restricted. A survey of actual rents found that the rent charged was affordable to lower income households, using the formula contained in Health & Safety Code Section 50052.5. Five units have been approved as lower income housing under the City's density bonus or inclusionary ordinance and are required by conditions of approval to be deed-restricted. The developers of these five units are not permitted to pay an in-lieu fee or otherwise avoid the obligation to provide the lower income units.

The City is committed to providing adequate sites with appropriate zoning to accommodate the remaining RHNA and to accommodate the need for groups of all income levels as required by State Housing Element Law. The City has identified those sites listed in **Table 2-6** and shown on **Figure 2-1**, the Housing Strategy Map; and further described in Appendix C as those sites to be rezoned to accommodate the development of lower income housing.

TABLE 2-6: SITES AVAILABLE TO MEET REMAINING VERY LOW AND LOW INCOME RHNA				
Site Number	Site Name	Gross Acreage	Net Acreage	Unit Yield
<i>Vacant¹</i>				
02	Cannon Property (Piraeus)	6.93	6.93	173
05	Encinitas Blvd & Quail Gardens Sites	4.91	4.78	119
06a	Armstrong Parcels	1.92	1.06	26 ²
08a	Rancho Santa Fe Parcels	1.75	1.45	36
AD1	Sage Canyon Parcel	5.23	2.40	60
AD2a	Baldwin & Sons Properties	3.14	2.98	74
AD2b	Baldwin & Sons Properties	6.66	4.86	121
<i>Subtotal</i>		<i>30.54</i>	<i>24.46</i>	<i>609</i>
<i>Non-vacant</i>				
01	Greek Church Parcel	2.50	2.00	50
06b	Armstrong Parcels	1.32	1.16	29 ²
07	Jackel Properties	2.97	2.97	33 ³
08b	Rancho Santa Fe Parcels	4.88	4.57	113
09	Echter Property	21.49	9.85	246
12	Sunshine Gardens Parcels	3.39	3.39	84
AD2c	Baldwin & Sons Properties	1.79	1.21	30
AD8	Vulcan & La Costa	2.00	2.00	50
AD9	Seacoast Church	4.45	1.41	35
AD11	Manchester Avenue West Sites	1.67	1.67	41
AD14	Harrison Sites	1.91	1.91	21 ³
AD31	Meyer Proposal	6.62	6.52	163
<i>Subtotal</i>		<i>54.99</i>	<i>38.66</i>	<i>895</i>
Total		85.53	63.12	1,504
Notes:				
1. HCD has stated to the City that vacant parcels must be entirely unimproved and separately subdivided parcels, and Table 2-6 reflects this direction. However, the City believes that the following sites should also be considered to be vacant: Site 01 (50 units) consists entirely of unimproved land, but has not been subdivided from the improved part of the site. Site 07 (33 units) consists of unimproved land and an abandoned, vacant structure. Site AD2c (30 units) has utility lines on a portion of the site which have been deducted from net acreage, but the parcel is otherwise entirely unimproved, and the utility lines would not prevent an owner from developing the site for residential units. In the City's view, these sites should be considered vacant, adding 118 additional units to the Unit Yield on vacant property, for a sub-total of 727 units on vacant sites, far above 50% of the unmet RHNA need for the planning period.				
2. HCD does not consider Site numbers 06a and 06b adequate sites to meet any portion of the Regional Housing Needs Allocation for lower-income households. The City acknowledges that it should not consider these sites available pursuant to Gov. Code Section 65863 absent additional information regarding site availability and owner interest in developing a residential project.				
3. Unit Yield anticipates that this site will be developed for mixed-use.				

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



This rezoning program will create an opportunity for 1,504 units that may be constructed during the planning period pursuant to Section 65583.2. This exceeds the remaining RHNA lower income obligation of 1,141 units by 363 units (31 percent), providing an adequate buffer in consideration of the no net loss requirement under SB 166; requirements of AB 1397 for determining site capacity; and desire to provide some flexibility for future development to property owners. The capacity of vacant sites is 609 units, 53 percent of the City's total lower income RHNA.¹ HCD does not consider sites numbers 06a and 06b adequate sites to meet any portion of the Regional Housing Needs Allocation for lower-income households; excluding these units, the rezoning program still exceeds the remaining RHNA lower income obligation by 308 units (27 percent), with 583 units accommodated on vacant sites (51 percent of the City's remaining lower income RHNA).

¹ Including Sites 01, 07, and AD2c, but excluding site 06a, the capacity of vacant sites is 701 units, or approximately 62% of the City's remaining lower income RHNA. See Table 2-6 for additional discussion.

This program also includes a provision to make all necessary changes in other General Plan elements and in specific plans to ensure consistency. 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, except that replacement housing will be required for non-vacant sites as required by State law.

Funding:	<ul style="list-style-type: none"> • Development Services Department budget • City Clerk Department budget
Responsible Agencies:	<ul style="list-style-type: none"> • Development Services Department • Planning Commission • City Council • California Coastal Commission
Objectives:	<ul style="list-style-type: none"> • Adopt the above-described General Plan, specific plan, and zoning amendments by April 2019 and submit changes to the California Coastal Commission. • Ensure internal consistency with all General Plan elements. • Make available the sites inventory to interested developers. • Provide that changes outside the coastal zone will become effective 30 days after adoption. • Process development applications consistent with the adopted plans while California Coastal Commission review is ongoing, so City can act on applications as soon as California Coastal Commission actions are final.
Timeframe:	<ul style="list-style-type: none"> • April 2019 Adoption • November 2019 Coastal Commission certification of Local Coastal Program Amendments

PROGRAM 1B: Adopt Amendments to the Zoning Code to Accommodate Lower Income Housing

The City of Encinitas will adopt amendments to the zoning code to accommodate lower income housing. These amendments will provide the necessary development standards and entitlement procedures to ensure that sites have development standards appropriate for units affordable to lower income residents. The rezoning program will permit for-sale and rental multifamily residential uses as permitted uses. Fifty percent of the remaining lower income RHNA need will be accommodated on sites permitting residential as the only permitted use. Density will range from a minimum of 25 dwelling units per net acre to a maximum of 30 dwelling units per net acre. 'By right' approval will be specified for projects containing at least 20 percent lower income housing and not including a subdivision, as required by Government Code Section 65583.2(h), and replacement affordable housing will be mandated on all sites identified in the Housing Element as required by Government Code Section 65583.2(g)(3).

All sites designated can accommodate 16 units or more. Some of the sites consist of several individual parcels that are in common ownership. Although only two of the individual parcels are too small to contain 16 units, the rezoning will apply only to projects containing at least 16 units to ensure that lots are consolidated as needed.

Changes to development standards will be necessary to accommodate a density of 30 units per acre. These changes include increasing the allowable building height to three stories, with elements of two stories to create appropriate transitions, but only for residential developments meeting at least the minimum density of 25 units per net acre on sites rezoned for lower income housing. Development standards will also be revised to address other zoning issues to ensure that new standards will accommodate the minimum density required in the zone. Appendix B contains a description of the proposed development standards.

Environmental review will still apply to future development projects on the Housing Strategy Map unless, as required by State law, the project includes 20 percent low income units and does not include a subdivision. Residential projects throughout the City may tier from the Measure T Housing Element's Program EIR or the environmental assessment completed for this Housing Element.

Applicants may submit development applications for sites in the Housing Element inventory at any time after the Housing Element becomes effective. The City will process development applications once they are received. For sites outside of the Coastal Zone, the City may approve such projects 30 days after adoption of the zoning changes. For sites inside the Coastal Zone, the City will process development applications while California Coastal Commission review of the Housing Element and associated amendments to the City's development standards is ongoing, enabling the City to act on any applications for properties in the Coastal Zone it receives as soon as California Coastal Commission actions are final.

Funding:	<ul style="list-style-type: none"> • Development Services Department budget • City Clerk Department budget
Responsible Agencies:	<ul style="list-style-type: none"> • Development Services Department • Planning Commission • City Council • California Coastal Commission
Objectives:	<ul style="list-style-type: none"> • Adopt the above-described zoning amendments by April 2019 and submit changes to the California Coastal Commission. • Provide that changes outside the coastal zone will become effective 30 days after adoption. • Process development applications consistent with the adopted plans while California Coastal Commission review is ongoing, so City can act on applications as soon as California Coastal Commission actions are final.
Timeframe:	<ul style="list-style-type: none"> • April 2019 Adoption • November 2019 Coastal Commission certification of Local Coastal Program Amendments

PROGRAM 1C: Promote the development of accessory housing units

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

Between January 1, 2010 and December 31, 2017, the City's ADU ordinance has resulted in the construction of 203 new units. Of these units, 16 have been restricted for very-low and low-income households. In April 2018, the City conducted additional survey efforts to determine affordability levels of second units built during the planning period. The results of that survey effort revealed that 24.6 percent of the second units were rented at levels affordable to very low and low income households and 17 percent were rented at levels affordable to moderate income households. In the past three years, permits have averaged 35 per year. The City projects that within the projection period, about 320 ADUs will be constructed, of which 79 will be affordable to lower income households and 54 will be affordable to moderate income households.

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

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

In February 2019, the City will complete its 'Permit ready' program for ADUs. Staff and contract architects are preparing prepared packages of pre-approved designs for ADUs that may be used by owners and will provide expedited processing and reduced costs for applicants.

In addition, the City is exploring the availability of prefabricated tiny homes and micro-units that may be suitable for ADUs, with the intent of providing additional information to interested homeowners.

The City will continue to monitor the extent of ADU production to ensure that the ordinance modifications are successful and that its goals can be met.

Funding:	• Development Services Department budget
Responsible Agencies:	<ul style="list-style-type: none"> • Development Services Department • Planning Commission • City Council • California Coastal Commission
Objectives:	<ul style="list-style-type: none"> • Continue to administer the accessory unit ordinance. • Develop permit-ready packets to market accessory unit production; explore tiny homes and micro-units. • Achieve an average of 40 accessory units annually.
Timeframe:	• January 2019 permit-ready packets

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. The City will develop and implement an evaluation procedure pursuant to Government Code Section 65863 and will make the findings required by that code section if a site is proposed for development with fewer units or at a different income level than shown in the Housing Element. Should an approval of development result in a reduction of capacity below the residential capacity needed to accommodate the remaining need for lower income, moderate, or above moderate income households, the City will identify and, if necessary, rezone sufficient sites within 180 days to accommodate the shortfall and ensure "no net loss" in capacity to accommodate the RHNA. HCD does not consider Site numbers 06a and 06b adequate sites to meet any portion of the Regional Housing Needs Allocation for lower-income households. The City acknowledges that it should not consider these sites available pursuant to Gov. Code Section 65863 absent additional information regarding site availability and owner interest in developing a residential project.

Funding:	• Development Services Department budget
Responsible Agencies:	• Development Services Department • City Council
Objectives:	• Review each housing approval on sites listed in the Housing Element and make findings required by Government Code Section 65863 if site is proposed with fewer units or different income level than shown in the Housing Element. If insufficient suitable sites remain, identify and, if necessary, rezone sufficient sites within 180 days. • Report as required through the HCD annual report process.
Timeframe:	• Ongoing • April annual report

PROGRAM 1E: Energy conservation and energy efficiency opportunities

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

- Reduce citywide potable water consumption.
- Require energy audits of existing residential units.
- Require new single-family homes to install solar photovoltaic systems and solar water heaters.
- Require residential electric vehicle charging stations
- Educate homeowners about water efficiency rebate and incentive programs offered to San Diego Water District and OMWD customers.

In addition, the City will continue to promote regional water conservation incentive programs and encourage broader participation in the City's Green Building Incentive Program.

Funding:	• Development Services Department budget
Responsible Agencies:	• Development Services Department
Objectives:	• Implement the residential strategy measures listed in the City of Encinitas Climate Action Plan.
Timeframe:	• Ongoing

PROGRAM 2: AFFORDABLE HOUSING

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

PROGRAM 2A: Continue and improve inclusionary housing policies

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 are required to be constructed concurrently with market rate units to ensure completion. Through December 31, 2017 the ordinance has created approximately 146 units for very low and low income households.

The City has received recommendations from affordable and market-rate developers for updates to the ordinance. To more effectively meet the City's affordable housing goals and to grant developers greater flexibility in how they fulfill their inclusionary housing requirement, the City has adopted amendments to the Inclusionary Ordinance, which will be in effect upon approval by the California Coastal Commission. The adoption of AB 1505 in 2017 allows the City to require inclusionary units in rental projects as well as for-sale projects.

The amendments increase the inclusionary requirement to 15% and provide more alternatives to on-site development of affordable housing, such as off-site construction, use of alternative housing types for the affordable units, preservation of 'at-risk' units, and land donation. The City is also conducting additional studies (economic feasibility study, gap analysis, and nexus study) to consider in-lieu fees (except on sites designated to accommodate housing for very low and low income households), impact fees for projects with one to six units and a supportable increase to the inclusionary requirement.

Funding:	<ul style="list-style-type: none"> • Development Services Department budget
Responsible Agencies:	<ul style="list-style-type: none"> • Development Services Department • City Council • California Coastal Commission
Objectives:	<ul style="list-style-type: none"> • Continue the inclusionary housing program. • Update the City's Inclusionary Housing Ordinance to be more effective and provide greater flexibility in meeting the inclusionary housing requirements while ensuring that the projects will create affordable units.
Timeframe:	<ul style="list-style-type: none"> • July 2019 Coastal Commission certification of Local Coastal Program amendments of recently approved amendments • June 2019 present results of on-going studies and determine whether to make additional changes in the inclusionary program.

PROGRAM 2B: Facilitate affordable housing for all income levels

The City will continue to proactively support housing for low income, extremely low income, and moderate income households and persons with disabilities (including developmental disabilities). State and federal funding is available only for lower income housing. The City has used a wide variety of financing programs to create 119 deed-restricted affordable units, all but three affordable to very low and low-income households, using federal Community Development Block Grants and HOME Investment Partnership funds, City affordable housing funds, tax credits, other HUD financing, and legalization of units constructed illegally.

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

As of fall 2017, rents for studios and one-bedroom apartments were affordable to moderate-income households, but larger units were not affordable. The City has encouraged development of moderate-income housing by adopting specific plans permitting moderate densities. Because no funding is available to support moderate-income housing, the City intends to consider measures that will encourage 'affordability by design,' especially for units of two-bedrooms or more. This can be accomplished through strategies such as limiting the maximum size of units with a given number of

bedrooms on sites zoned to accommodate lower and moderate income housing. Employing such strategies will help ensure that units identified on the housing strategy map as affordable to moderate-income households are not designed as luxury homes and provide opportunity for moderate-income households.

Additionally, the City has hired a housing coordinator to facilitate opportunities for affordable housing; work with the development community to identify locations and opportunities to construct new affordable housing; preserve existing affordability restrictions; and acquire or rehabilitate units for affordable housing purposes.

Funding:	<ul style="list-style-type: none"> • Development Services Department budget, CDBG and HOME funds, Affordable Housing Fund, LIHTC, Multifamily Housing Revenue Bonds, Cap and Trade Affordable Housing Program, National Housing Trust Fund and other resources, as available
Responsible Agencies:	<ul style="list-style-type: none"> • Development Services Department • Planning Commission • City Council
Objectives:	<ul style="list-style-type: none"> • Annually allocate designated Affordable Housing Funds and CDBG funds to increase the supply of affordable housing for lower income households, including seniors, extremely-low and lower income disabled, homeless and those at risk of homelessness. Seek to leverage these funds with federal, state, and County HOME funds to increase the amount of affordable housing on housing strategy sites. • Work with developers of housing strategy sites and nonprofit developers to identify opportunities to increase the percentage of affordable housing above that required by the City's inclusionary ordinance by encouraging developers to apply for available funds and utilize other creative mechanisms, with the goal of developing 250 affordable units. • Analyze sites owned by the City and other public agencies (including San Diego County and the Transit District) to identify those that could be suitable to support affordable housing development and determine whether housing development would be feasible and what actions would be needed to develop housing on those sites. • Encourage the development of sites designated for moderate-income housing by continuing to implement the City's adopted specific plans. To achieve 'affordability by design,' consider adoption of maximum size limits by number of bedrooms (limits on size of studios, one bedroom units, two bedroom units, etc.).
Timeframe:	<ul style="list-style-type: none"> • November 2019 for review of size standards • Ongoing during planning period.

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 of Encinitas Housing Authority to make housing assistance payments on behalf of the families. HUD also pays the Housing Authority a fee for the costs of administering the program. 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 and program administration.

Although the City will continue to administer its 136 housing vouchers, due to high market rents, especially considering the recent implementation of Small Area Fair Market Rents it currently has funding to subsidize only 104 households, and the City has allocated general fund dollars to pay for administrative costs to replace in part declining federal support. The City's ability to expand or even maintain this program at its current level is derived from the annual Federal budget process. 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.

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: Ensure that the density bonus ordinance continues to be consistent with State law

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

requirements. The developer must provide reasonable documentation demonstrating that incentives reduce costs to provide for affordable units; and that waivers are required because the usual standards physically preclude the project from achieving the allowed density and incentives.

Many developers in the City utilize State Density Bonus Law, and the City has a standard procedure for routinely processing density bonus applications as part of housing development applications. Projects that meet the City's inclusionary requirements are eligible for density bonuses. As of December 31, 2017, the City had approved 27 density bonus projects that included 49 lower income units. The City's implementing ordinance is consistent with the current Government Code and has been updated to be consistent with the amendments to State Density Bonus Law enacted in 2016. The City will review any future amendments to State Density Bonus law to ensure that its local ordinance remains consistent with State law.

Funding:	• Development Services Department Budget
Responsible Agencies:	<ul style="list-style-type: none"> • Development Services Department • Planning Commission • City Council • Coastal Commission
Objectives:	• Ensure the City's density bonus ordinance is consistent with future amendments to State density bonus law.
Timeframe:	• Within one year after amendments are passed to State Density Bonus Law

PROGRAM 2E: 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. Many special needs persons, especially those in emergency shelters, transitional and supportive housing, and single-room occupancy units, may be extremely low income individuals, and implementation of the zoning changes below will enable development of housing serving their 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. The Act also requires that any employee housing providing accommodations for six or fewer employees be treated as a single-family structure, with no conditional or special use permit or variance required.

The City will amend its Zoning Code to be consistent with State law regarding agricultural worker housing and employee housing.

Emergency Shelters:

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 only objective standards for the location, siting, operations and maintenance of emergency shelters.

The City has approved amendments to the Zoning Code to permit emergency shelters by right without a discretionary review process in the Light Industrial (LI) and Business Park (BP) zones (28 acres total), subject to the same development and management standards that apply to residential or commercial development in those zones, with the addition of the above standards; the revised standards will be effective following approval from the California Coastal Commission.

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 (g-j) definitions as a residential use of a property in a dwelling to be allowed under the same conditions as apply to other residential dwellings of the same type in the same zones.

Single-Room Occupancy (SRO) Housing:

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

Funding:	• Development Services Department budget
Responsible Agencies:	<ul style="list-style-type: none"> • Development Services Department • Planning Commission • City Council • Coastal Commission
Objectives:	• Amend the Zoning Code to accommodate special needs housing consistent with State law.
Timeframe:	<ul style="list-style-type: none"> • February 2019 adoption of emergency shelter ordinance • September 2019 adoption of all other code amendments • July 2019 Coastal Commission certification of Emergency Shelter Local Coastal Program Amendments • March 2020 Coastal Commission certification of all other Local Coastal Program Amendments

PROGRAM 2F: Continue programs to reduce homelessness

The City has provided financial assistance to nonprofit service agencies such as the Community Resource Center, YMCA-Oz North Coast, Fraternity House, Catholic Charities, and Interfaith Shelter Network to provide shelter and supportive services for the homeless. The City also provides funding to the Community Resource Center to operate the Opening Doors program, which matches homeless households with housing navigators and housing resources, to ultimately be placed into permanent housing. The Community Resource Center established an Advisory Committee on Homelessness in Encinitas, comprised of public agency staff, law enforcement, community members, homeless activists, and others. The group meets on a quarterly basis to provide the opportunity for all parties to share their experiences, thoughts, and ideas related to homelessness in Encinitas and the *Opening Doors* pilot project. After an outbreak of Hepatitis A among homeless persons in the County of San Diego, the County provided handwashing stations on a temporary basis, and the City installed temporary toilets for use by the public. The City will evaluate the short and long-term needs and locations for access to 24/7 bathroom and handwashing facilities.

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.

Funding:	• City General Fund
Responsible Agencies:	• Development Services Department • City Manager • City Council
Objectives:	• Continue to support programs to prevent homelessness and serve homeless persons to the extent funds are available.
Timeframe:	• Ongoing

PROGRAM 3: MITIGATION OF CONSTRAINTS

The City reviews and updates development standards and processing procedures that constrain housing development, particularly for lower and moderate-income households. The programs below list steps to be taken to remove governmental constraints that limit the ability to maintain, improve, and develop housing for all income levels. The City will also attempt to understand and, where possible, modify nongovernmental constraints that create a gap between the City's approval of housing and construction of housing.

PROGRAM 3A: Establish parking standards appropriate for different kinds of housing

Basic construction costs for residential developments have rapidly increased, and together with land prices, have increased the cost of housing. This has made homeownership 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. Mixed-use units that are guaranteed to be affordable to low or very low income households are allowed a reduced, one-space-per-unit parking

requirement. State Density Bonus Law allows even lower parking standards for projects eligible for a density bonus.

However, how people travel 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 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.

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

PROGRAM 3B: Modify regulations that constrain the development of housing

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

Ground-Floor Commercial Uses Only:

Portions of the North 101 Corridor Specific Plan and Downtown Encinitas Specific Plan have mixed-use zones where residences are allowed. However, 1) ground floor uses in a storefront location are limited to retail-serving uses only; or 2) residential uses are permitted only above or behind a primary use. However, it may be difficult to market and develop a property with these ground floor commercial requirements because there is a finite economic market available to support retail uses. Mixed-use thrives when it is focused in a compact area, not over lengthy corridors, as is currently mandated in these specific plans. For mixed-use projects, the City will amend zoning regulations to require ground floor commercial uses only at key locations or preference areas based on context or planning objectives to ensure future projects are feasible and the desired community character is preserved. Key locations will be determined by the City Council.

Findings for Residential Projects Related to Density and Design:

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)."

Under the Housing Accountability Act, the inability to make this subjective finding cannot be used by the City to deny or reduce the density of any 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, and its

effectiveness in assuring high-quality development is minimal. As such, the City will amend the language for residential projects. The City will also review other findings that may result in denial of a project to ensure that they are consistent with the Housing Accountability Act.

Specifically, the City will modify any standards related to the ability to achieve maximum densities allowed in a zoning district to ensure that such standards are objective if they will be used to evaluate a residential development project. This program includes repealing EMC 30.16.010, paragraph (B)(2)(b) and amending Land Use Element Policy 8.3 which limits projects to the mid-range density unless certain findings can be made.

The City will also undertake revisions to its design guidelines to adopt more clear and objective standards related to the architectural review of residential developments.

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 is inconsistent with provisions of State law that require that the City not discriminate against multifamily rental housing. As such, the City will amend the North 101 Corridor Specific Plan to eliminate the airspace requirement for multi-family housing.

Funding:	<ul style="list-style-type: none"> • Departmental budgets
Responsible Agencies:	<ul style="list-style-type: none"> • Development Services Department • Planning Commission • City Council • Coastal Commission
Objectives:	<ul style="list-style-type: none"> • Remove the above constraints to residential development.
Timeframe:	<ul style="list-style-type: none"> • April 2019 repeal of EMC sections 23.08.080 and 30.16.010(B)(2)(b) and repeal of Section 3.1.1(A)(4) of the North 101 Corridor Specific Plan • December 2019 adoption of code amendments relating to density and ground floor commercial uses • June 2020 adoption of code amendments relating to architectural review • August 2020 Coastal Commission certification of Local Coastal Program Amendments for code amendments relating to density and ground floor commercial uses. • February 2021 Coastal Commission certification of Local Coastal Program for code amendments relating to architectural review.

PROGRAM 3C: Right to Vote Amendment

In 2013, a citizen initiative resulted in the Right to Vote Amendment (Proposition A), which requires voter approval of most land use changes and building heights higher than two stories. Proposition A cannot be modified except by another vote of the people. If a proposed Housing Element does not achieve community support, Proposition A may act as a constraint on the City's ability to comply with

state Housing Element law. The City will take actions to ensure that future Housing Elements can be adopted in a timely fashion and that requirements for a vote of the people do not constrain the City's compliance with State law.

Funding:	<ul style="list-style-type: none"> • Development Services Department budget
Responsible Agencies:	<ul style="list-style-type: none"> • Development Services Department
Objectives:	<ul style="list-style-type: none"> • Include a significant buffer when adopting the Housing Element to ensure that adequate sites will remain throughout the planning period, and that there will be no need to upzone sites or seek voter approval for actions during the planning period to comply with the 'no net loss' statute (Gov't Code § 65863). This Housing Element includes a buffer of 31 percent. <ul style="list-style-type: none"> • Complete an economic feasibility analysis and amend the City's Inclusionary Housing Ordinance to require that affordable housing be developed on each identified site to the maximum amount that is economically feasible, so that each site is developed at the designated income level to the extent feasible. • Provide assistance to owners of sites suitable for lower income housing to identify subsidy sources that could support a higher percentage of lower income housing. • Take actions in advance of the next Housing Element due date (April 2021) to ensure that the sixth cycle Housing Element and implementing actions can be adopted in a timely fashion consistent with State law. These actions will include: <ul style="list-style-type: none"> • Begin preparation of the next housing element as soon as the City receives its RHNA allocation in early 2019. Determine if additional sites must be designated for lower income housing and rezoned to a higher density, thus requiring a vote under Proposition A. • If a vote will be required: establish a Housing Element Task Force that includes supporters of Proposition A; conduct a transparent process with frequent public meetings to identify candidate sites; identify the sites most acceptable to the community and compliant with housing element law. • Establish a schedule so that any required vote under Proposition A will be held sufficiently in advance of the Housing Element due date (target of 2020 for the sixth cycle) to ensure that an adequate housing element may be revised and approved by the voters if the initial vote is unsuccessful. • In identifying additional candidate sites, if needed: <ul style="list-style-type: none"> • Analyze sites owned by public agencies, including the City, County, and Transit District, and strive to accommodate as much needed development on public sites as is practical. If any appear suitable for lower income housing, develop a schedule and take required steps to

	<p>ensure that they can be developed within the planning period.</p> <ul style="list-style-type: none"> • Contact nonprofit developers and property owners to identify sites that are most feasible for actual construction of affordable housing. • Work with property owners who have expressed interest in zoning suitable for lower income housing to identify and remove potential barriers to site development during the planning period.
Timeframe:	<ul style="list-style-type: none"> • Commence developing the sixth cycle Housing Element in 2019 when the City receives its RHNA allocation. <p>If a vote is required by Proposition A to meet the City's RHNA, target scheduling the vote for 2020 to ensure that an adequate housing element may be revised and approved by the voters prior to April 1, 2021 if the initial vote is unsuccessful.</p>

PROGRAM 3D: Rescind Obsolete Growth Management Policies and Programs

The Land Use Element portion of the Encinitas General Plan contains goals and policies that manage new growth. The measures provide a 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 has no impact on the pace of development, 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.

Funding:	• Development Services Department budget
Responsible Agencies:	• Development Services 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"> • January 2020 adoption of all code amendments • January 2021 Coastal Commission certification of Local Coastal Program

PROGRAM 3E: Improve the efficiency of the development review process for housing projects

The City continues to improve the efficiency of the development review process. Recently, the City improved its permitting process by placing more information on the City's website; implemented an Internet-based case management system, which is accessible to the public, that tracks permit review and status; established an interdepartmental team (Project Issue Resolution) that quickly resolves problems and issues as they arise; and formed a Development Services Department that combines planning and engineering services to facilitate project review. The City will continue to find opportunities to streamline the permitting process to remove unnecessary barriers, without compromising public health, safety and community character and will process projects outside the

coastal zone under SB 35 if requested by an applicant for an eligible project. The City will emphasize working with non-profit and for-profit housing developers to better utilize an expedited process, which would include priority plan review and inspection services. Streamlining includes the environmental review already completed for this Housing Element to address as many environmental issues as possible now to focus future environmental review on project-specific issues.

Funding:	• Development Services Department budget
Responsible Agencies:	• Development Services Department
Objectives:	<ul style="list-style-type: none"> • Expedite permit processing for projects that exceed the City's inclusionary requirements and provide on-site affordable housing. • To the extent permitted by State law, use existing environmental documents to limit review of new developments to impacts not considered in the earlier document
Timeframe:	• Ongoing

PROGRAM 3F: Review nongovernmental constraints impeding development of approved housing projects

Most housing developments approved by the City have received building permits within a reasonable time period. However, building permits or final maps have not been obtained for approximately 75 units approved over one year ago. The City will contact applicants to discover why units have not been constructed. If due to nongovernmental constraints, such as rapid increases in construction costs, shortages of labor or materials, or rising interest rates, to the extent appropriate and legally possible, the City will seek to identify actions that may help to remove these constraints.

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

Funding:	• Development Services Department budget
Responsible	• Development Services Department
Objectives:	<ul style="list-style-type: none"> • Contact applicants of projects to discover nongovernmental constraints preventing construction. • To the extent appropriate and legally possible, identify actions that may help to remove these nongovernmental constraints.
Timeframe:	• Complete by January 2020

PROGRAM 3G: Seek to create community support for housing at a variety of income levels

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

Funding:	• Development Services Department budget
Responsible	• Development Services Department
Objectives:	<ul style="list-style-type: none"> • Provide information to Encinitas residents about local housing needs, state law requirements (in particular, Housing Element Law, 'no net loss,' the Housing Accountability Act and SB 35), and other topics related to housing for all income levels. • Ensure that any housing developed at higher densities complies with any adopted design guidelines and is of excellent design quality. • Amend the City's capital improvement program if additional infrastructure improvements are required to provide for additional housing development
Timeframe:	• Ongoing in conjunction with Program 3C (Proposition A)

Program 3H: Monitor adequacy of development standards

In the course of reviewing new projects on the sites shown on the site inventory in Appendix C, the City of Encinitas will evaluate the development standards contained in Title 30 of the Encinitas Municipal Code to determine if any standards create undue burdens, or limit the ability for housing to be developed at the density designated in the site inventory. The analysis will evaluate standards that could influence the ability of the City to develop housing for extremely-low, very-low, low and moderate income households or special needs populations.

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

Funding:	• Departmental budgets
Responsible Agencies:	<ul style="list-style-type: none"> • Development Services Department • Planning Commission • City Council
Objectives:	• Amend Residential Development Standards
Timeframe:	<ul style="list-style-type: none"> • Ongoing Evaluation • Report to City Council annually, as part of Housing Element Annual Report • If needed to address constraints, following the City Council review of the Annual Report, request initiation of a zoning amendment.

PROGRAM 4: CONSERVATION OF EXISTING HOUSING STOCK

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

PROGRAM 4A: Pursue opportunities to create safe and healthy housing

The City has a number of accessory units that were constructed or converted illegally (without the benefit of building permits) prior to the City's incorporation and might not meet City codes. Recognizing that many of these units provide affordable housing that may not otherwise be available, the City adopted an Affordable Unit Policy (AUP) in 1993 to allow dwelling units built or converted without required permits to apply for legalization. In the period between January 1, 2010 and December 31, 2017, 14 units have been approved through the AUP program.

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

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

The City has sponsored amendments to State law that would permit more flexibility in applying past building codes to units constructed without permits. Some units constructed without permits may also be able to be legalized under new State ADU regulations if they can meet current building codes.

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

Funding:	• Development Services Department budget
Responsible Agencies:	• Development Services Department • City Council
Objectives:	• Healthy and safe housing
Timeframe:	• March 2021 consider further extension of the AUP Program.

PROGRAM 4B: Assist in rehabilitating housing

The City's current Residential Rehabilitation Program provides grants and/or low-interest, deferred, and/or forgivable loans for building code violations, health and safety issues, essential repairs, upgrades of major component systems, and modifications to accommodate disabilities. The assistance is available to low-income homeowners and to owners of rental units that will rent to low income households. The key funding source available for the rehabilitation program comes from Community Development Block Grants (CDBG). The City anticipates that funding allocated over an eight-year period, from 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).

Funding:	• Community Development Block Grants
Responsible Agencies:	• Development Services Department • City Council
Objectives:	• Healthy and safe housing • Assist 40 households
Timeframe:	• Ongoing

PROGRAM 5: EQUAL HOUSING OPPORTUNITIES

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: Reasonably accommodate housing for the 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.

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.

Funding:	• Development Services Department budget
Responsible Agencies:	• Development Services Department
Objectives:	• Adopt reasonable accommodations ordinance for persons with disabilities
Timeframe:	• September 2019 adopt new reasonable accommodations ordinance • March 2020 certification of Local Coastal Program Amendments

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 affirmatively further fair housing.

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

For the past three iterations, the City has partnered with all jurisdictions in the County to conduct a Regional Analysis of Impediments to Fair Housing Choice (AI). The AI identifies specific improvements to the City's Zoning Code to expand fair housing choices for all. The AI has outlined numerous actions for the City and the other cities in the County. Some of the most significant actions are these:

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

Funding:	• Community Development Block Grants
Responsible Agencies:	• Development Services Department • City Council
Objectives:	<ul style="list-style-type: none"> • Continue to contract with Legal Aid Society or other capable organization to review housing discrimination complaints, attempt to facilitate equitable resolution of complaints, and, where necessary, refer complainants to the appropriate state or federal agency for further investigation and action. • Implement the actions contained in the AI • Update the AI as needed • Collaborate with the jurisdictions in the San Diego region to complete the Assessment of Fair Housing.
Timeframe:	• Ongoing

PROGRAM 6: AT RISK HOUSING

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. Many of these units typically convert to market rate as subsidy contracts or regulatory agreements expire. The programs included herein identify how the City will attempt to preserve assisted housing developments that are at risk of converting to market-rate.

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 April 2019 through April 2029.

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

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

PROGRAM 6B: Provide credit under the inclusionary ordinance for preservation of at-risk housing

As part of its update to the City's inclusionary ordinance described in Program 2A, the City will provide credit for preservation of at-risk housing and for conversion of market-rate units to affordable units when consistent with Government Code Section 65583.1 and will explore inclusion of preservation and conversion projects in the 2021 – 2029 Housing Element.

Funding:	• Development Services Department budget
Responsible Agencies:	<ul style="list-style-type: none"> • Development Services Department • City Council
Objectives:	• Allow developers to meet inclusionary requirements by preserving at-risk housing units or converting market-rate units to affordable when consistent with the provisions of Government Code Section 65583.1.
Timeframe:	• July 2019 Coastal Commission certification of Local Coastal Program Amendments

TABLE 2-7 QUANTIFIED OBJECTIVES (2013-2021)						
	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Above Moderate Income	TOTALS
New Construction	365	366	555	413	907	2,353
Rehabilitation	---	---	40	---	---	40
Conservation and 'At-Risk'	20	---	---	---	---	20 ³
Section 8	57	56	---	---	---	113
¹ 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.						