

## APPENDIX B

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## Appendix B: Housing Profile Report

The City strives to achieve a balanced housing stock that meets the varied needs of all income segments of the community. To understand the City's housing needs, the nature of the existing housing stock and the housing market are comprehensively evaluated. This section of the Housing Element discusses the major components of housing needs in Encinitas, including population, household, economic and housing stock characteristics. Each of these components is presented in a regional context, and, where relevant, in the context of other nearby communities. This assessment serves as the basis for identifying the appropriate goals, policies, and programs for the City to implement during the 2010-2021 Housing Element cycle (2013-2021 planning period).

### 1 Population Characteristics

Understanding the characteristics of a population is vital in the process of planning for the future needs of a community. Population characteristics affect the type and amount of housing need in a community. Issues such as population growth, race/ethnicity, age, and employment trends are factors that combine to influence the type of housing needed and the ability to afford housing. The following section describes and analyzes the various population characteristics and trends that affect housing need.

#### 1.1 Population Growth

According to the U.S. Census the population in the region has steadily increased over time. In 1990, the San Diego regional population was 2,298,016. In 2000, the population of region was 2,813,833. This represents about a 2.2 percent annual change in the population growth rate. The U.S. Census reported a population count of 3,095,313 in 2010 showing that the growth rate increased 1.1 percent annually over the last ten-years. During this same ten-year time period, Encinitas' population grew at a slower rate than the region as a whole, increasing 0.3 percent annually, from 58,014 in 2000 to 59,518 in 2010. **Table B-1** shows the actual changes in population for North San Diego County coastal cities and the County, as well as projected population growth.

Table B-1: Actual and Projected Population Changes (2000-2050)				
City	2010 Actual	2020 Projected	2035 Projected	2050 Projected
Carlsbad	105,185	118,241	123,634	123,942
Del Mar	4,161	4,412	4,668	4,784
Encinitas	59,518	62,829	64,718	66,178
Oceanside	167,344	177,929	188,865	190,129
Solana Beach	12,867	13,409	14,311	14,941
San Diego County	3,095,313	3,435,713	3,853,698	4,068,759

Source: Bureau of the Census (2000 and 2010) and SANDAG Series 13 Regional Growth Forecast Update (2013).

The purpose of regional growth forecasting is primarily to provide a starting point for regional planning. It is also one of the first steps in developing a Regional Transportation Plan. For this reason, a growth forecast is updated every four years. According to the most recently adopted SANDAG forecast (Series 13) the region will grow to approximately four million people by the year 2050, representing a

growth of approximately one million residents. This represents an average annual growth of approximately 0.7%. It is projected that the 2010-2050 population in the San Diego region will increase by 31.4 percent, while Encinitas' population is expected to increase by 11.2 percent.

It is important to note that the growth forecasts are not prescriptions for the future; rather they simply portray an estimate of potential outcomes. The U.S. Census plays a critical role in estimating future population and verifying past projections.

SANDAG's Series 13 forecast shows a growth of 6,660 persons between 2010 and 2050 in the City. This numeric change results in a citywide population growth of about 11.2 percent total, which is about 7 percent less than previously forecasted in the Series 12 forecast. However, since population growth is projected to continue and to outpace home construction, an imbalance could potentially influence an increase in household size (the number of persons per household), a decrease in vacancy rates, and an increase in the amount of interregional commuting.

## 1.2 Age Characteristics

Housing demand within the market is often determined by the preferences of certain age groups. Traditionally, both the young adult population (20 to 34 years of age) and the elderly population tend to favor apartments, low- to moderate-cost condominiums, and smaller single family units. Persons between 35- and 65-years old often provide the major market for moderate to high-cost apartments and condominiums and larger single family units because they tend to have higher incomes and larger sized households.

In 2000, the median age in Encinitas was 37.8, approximately four years older than the regional median age of 33.2. By 2010, the median age in Encinitas increased to 41.5, 6.9 years above the regional average of 34.6 years. **Table B-2** shows that in 2010, the largest proportion of the population in the City was aged 45 to 59 years, accounting for 25 percent of the population, and followed by those aged zero to 14 and 35 to 44. **Table B-2** also compares resident age in Encinitas to that of the region. San Diego County's age distribution shows a younger population. According to the 2010 Census, 21 percent of the population was under 18 years of age, similar to the 2000 Census profile.

Table B-2: Age Distribution Comparison (2010)								
Area	0-14	15-19	20-24	25-34	35-44	45-59	60-64	65+
Encinitas	17%	5.4%	4.5%	13.4%	14.5%	25.3%	7.0%	12.8%
San Diego County	19.3%	7.3%	8.7%	15.2%	13.6%	19.7%	4.8%	11.4%

Source: Bureau of the Census (2010)

California is projected to be one of the fastest growing states in the nation. In 1990, California comprised 12 percent of the nation's population and is expected to have 14 percent of the nation's population by 2020. In California, those persons of retirement age (i.e. 65 years and older) is expected to grow more than twice as fast as the total population and this growth will vary by region. This means that people are



living longer, and the number of older persons is increasing. This trend is also evident in Encinitas, where the senior-aged section of the population is expected to double by the year 2035.

### 1.3 Race/Ethnicity Characteristics

**Table B-3** shows that, according to the 2010 Census, the ethnic distribution of the Encinitas population was predominantly White (79 percent). Approximately 14 percent of the Encinitas population was of Hispanic origin and four percent were Asian. San Diego County exhibited more ethnic diversity, with 49 percent of the population being White, 32 percent of Hispanic or Latino origin and 11 percent Asian. The race/ethnic composition of City residents has remained stable in Encinitas compared to the 2000 Census, with the proportion of Asian residents increasing slightly and the proportion of Hispanic residents decreasing slightly. Countywide, the Hispanic population of Hispanic or Latino origin increased from 27 percent to 32 percent and the White population decreased from 55 percent to 49 percent.

<b>Table B-3: Ethnic Distribution (2010)</b>								
<b>Area</b>	<b>White Only</b>	<b>Black</b>	<b>Asian</b>	<b>Native American</b>	<b>Pacific Islander</b>	<b>Some Other Race</b>	<b>Two or More</b>	<b>Hispanic or Latino</b>
<b>% Encinitas Population</b>	78.8%	0.50%	3.5%	0.30%	0.10%	0.30%	2.5%	13.7%
<b>%San Diego County Population</b>	48.5%	4.7%	10.6%	0.50%	0.40%	0.20%	3.1%	32%

Source: Bureau of the Census (2010)

The racial and ethnic composition of a population may affect housing needs because of cultural preferences associated with different racial/ethnic groups. Cultural influences may reflect preference for a specific type of housing. Research has shown that some cultures (e.g. Hispanic and Asian) tend to maintain extended families within a single household. This tendency can lead to overcrowding or an increased demand for larger housing units. Ethnicity also tends to correlate with other characteristics such as location choices, mobility, and income, as shown in **Table B-4**. In Encinitas, residents of American Indian, Black, Hispanic origin, and Asian and Pacific Islander have the highest levels of poverty. However, the overall Encinitas poverty level of 7 percent is lower than the San Diego regional total of 14 percent.

<b>Table B-4: Poverty Status by Race/Ethnicity Encinitas and San Diego County</b>								
<b>Area</b>	<b>White Only</b>	<b>Black</b>	<b>Asian</b>	<b>Native American</b>	<b>Pacific Islander</b>	<b>Some Other Race</b>	<b>Two or More</b>	<b>Hispanic or Latino</b>
<b>% Encinitas Population</b>	7.1%	38.3%	4.6%	0.0%	16.7%	13.8%	9.1%	18.4%
<b>%San Diego County Population</b>	13.2%	20.1%	10.7%	20.2%	15.6%	23.1%	14.3%	19.6%

Source: ACS 5-year estimates (2016)

Employment has an important impact on housing needs. Incomes associated with different jobs and the number of workers in a household determines the type and size of housing a household can afford. In some cases, the types of jobs themselves can affect housing needs and demand (such as in communities with military installations, college campuses, and large amounts of seasonal agriculture). Employment growth typically leads to strong housing demand, while the reverse is true when employment contracts.

## 1.4 Employment

To achieve a better balance between jobs and housing, it is important to consider the employment characteristics of a region. In the San Diego region, employment growth outpaced population growth between 1990 and 2000. The decade recorded a gain of more than 188,865 jobs, an increase of 16 percent, while population increased by 315,817 people, a growth rate of 13 percent.<sup>1</sup>

**Table B-5** shows that in 2010 there were over 1.42 million jobs in the San Diego region. Regionwide, growth of 34% is expected between 2010 and 2050. **Table B-5** also shows that the number of jobs in Encinitas are expected to grow by 15% from 2010 to 2050.

Table B-5: Employment Growth (2010-2050)					
Jurisdiction	2010	2020	2050	% Change 2010-2050	Numeric Change 2010-2050
Carlsbad	64,956	77,431	85,718	32%	20,762
Del Mar	4,431	4,542	4,725	6.6%	294
Encinitas	25,643	27,276	29,542	15.2%	3,899
Oceanside	41,142	48,208	54,091	31.5%	12,949
Solana Beach	7,417	8,156	8,802	18.7%	1,385
San Diego County	1,421,941	1,624,124	1,911,405	34.4%	489,464
Source: SANDAG Series 13 Subregional Growth Forecast (2013)					

**Table B-5** shows that between 2010 and 2050, Encinitas is projected to gain approximately 3,899 new employment opportunities (i.e. the number of workers with jobs), which represents an increase of 15 percent. This represents one of the lowest percentage increases in employment in the North County coastal cities. Regionwide, approximately 489,464 new employment opportunities will be generated, representing an increase of 34 percent. This projected change in employment is considerably less than previously forecasted.

Previous forecasts showed that the largest numerical gains in employment in Encinitas between 2000 and 2030 would occur in the services, retail trade, and government sectors. **Table B-6** shows the industries that Encinitas residents were employed in compared with County residents as a whole in 2006-2008, as well as the mean annual wage in the first quarter of 2010. Encinitas residents were employed by a variety of industries with 19 percent working in education services, health care and social assistance and 18 percent in professional, scientific, management and waste management services. Approximately ten percent also worked in the arts, entertainment, recreation, accommodations and food service industries, as well as ten percent in retail trade and finance. Together these industries account for 67 percent of the employment of Encinitas residents. Those working in the professional industries were earning between \$72,840 and \$113,870 and those in the education services category were earning between \$30,480 and \$86,425. These industries employed 38 percent of the labor pool.

Table B-6: Number of Workers by Industry (2000-2010)			
Industry	Encinitas	San Diego County	Mean Annual Wage in the Region (San Diego MSA)
Agriculture, Forestry, Fishing, Hunting and Mining	0.3%	0.6%	\$27,777
Construction	7.2%	7.8%	\$50,274
Manufacturing	8.4%	9.1%	\$33,600
Wholesale Trade	3.5%	2.9%	\$65,599
Retail Trade	9.5%	10.9%	\$37,650
Transportation, Warehousing and Utilities	2.3%	3.7%	\$31,976
Information	2.8%	2.7%	\$79,899
Finance and Insurance, Real Estate, Rental and Leasing	9.5%	7.8%	\$70,103
Professional, Scientific, Management and Waste Management Services	18.3%	14.1%	\$72,840-\$113,870
Education Services, Health Care and Social Assistance	19.3%	19.1%	\$30,481-\$86,425
Arts, Entertainment and Recreation, Accommodations and Food Service	10.5%	10.7%	\$22,211-\$55,851
Other Services, Except Public Administration	5.3%	5.3%	\$26,030-\$47,927
Public Administration	3.1%	5.3%	\$94,926
<b>Total Mean Annual Wage</b>	<b>100%</b>	<b>100%</b>	<b>\$49,439</b>
Source: American Community Survey (2005-2009) and California Employment Development Department (2010).			

Compared with County residents as a whole, Encinitas residents benefited from employment in higher income industries such as finance, professional and management, etc. However, the community has more employed residents than jobs and remains a bedroom community.

SANDAG's Series 13 shows a regionwide average of 1.2 workers per dwelling unit. In Encinitas this would result in 30,600 workers available for 25,600 jobs, a 1.19 worker-to-jobs ratio. The 2007-2011 ACS (Workers) survey similarly found 23,489 employed residents in the City, but only 19,791 jobs, also representing a 1.19 worker-to-jobs ratio. The 2011 ACS also reported an unemployment rate of 6.5 percent for all persons in the civilian workforce. Nearly 20 percent of all persons between the ages of 16 and 24 were unemployed. In terms of unemployment, Encinitas outperformed both the nation as a whole and the State of California. The City's unemployment rate was significantly lower than the 2011 national rate of 8.7 percent and state rate of 10 percent.

## 1.5 Commuting Patterns

Commuting patterns demonstrate the relation of housing to employment opportunities and are a component in the allocation of growth to localities.

**Table B-7** shows that in 2010, 76 percent of Encinitas residents drove alone to work, about equal to the percent region-wide. Just over seven percent of Encinitas residents carpooled, and approximately two percent walked, and fewer than two percent used a form of public transportation. Eleven percent of Encinitas residents worked from home.

Table B-7: Means of Transportation To Work (208-2012)				
Industry	Encinitas		San Diego Region	
	#of Workers 16+	% of Total	#of Workers 16+	% of Total
Car, Truck, or Van – Drove Alone	21,781	75%	1,083,870	76%
Car, Truck, or Van – Carpooled	2,104	7.5%	141,733	10%
Public Transportation	421	1.5%	42,934	1.5%
Motorcycle	56	0%	4,443	0%
Bicycle	207	1%	7,591	1%
Walked	615	2%	38,116	3%
Other means	640	2%	13,954	1%
Worked at home	3,384	11%	87,862	6%
<b>TOTAL</b>	<b>29,208</b>	<b>100%</b>	<b>1,380,578</b>	<b>100%</b>
Source: 2010-2012 ACS and derived "other means" to include bike and motorcycle rates based on precedent data sources including the 2000 Census.				

**Table B-8** shows the average travel time for workers age 16 and over in Encinitas and the San Diego region in 2000. Average travel times for Encinitas residents did not vary greatly from those in the region as a whole. Approximately 35 percent of Encinitas residents had travel times to work under 20 minutes while 40 percent of San Diego residents faced the same travel time. Please note that the average travel time segments were not recorded in the 2010 Census and is not available in the most recent three-year ACS estimates. However, based on the 2010-2012 ACS, the average commute time for Encinitas residents is a little over 24 minutes.

Table B-8: Travel Time to Work in Minutes (2010)							
Jurisdiction	Less than 10 minutes	10-19 Minutes	20-29 Minutes	30-44 Minutes	45-59 Minutes	60-89 Minutes	90+ Minutes
Encinitas	10.5%	24.6%	19.8%	24.3%	7%	3.4%	2.7%
San Diego County	10.15%	29.4%	22.6%	20.6%	6.4%	3.9%	4.4%
Source: SANDAG Series 13 Subregional Growth Forecast (2013)							

Commuting can be more expensive than people anticipate. Not only do the true costs of commuting include the most recognized costs such as owning a car (finance payments, insurance, maintenance, etc.) and driving (gas, etc.), but there are also potential personal costs (i.e. mental and physical health, etc.), infrastructure improvements and roadway maintenance costs, environmental impacts (i.e. air quality, greenhouse gas emissions and noise), as well as community impacts (i.e. public safety, visual and aesthetic impacts, etc.).

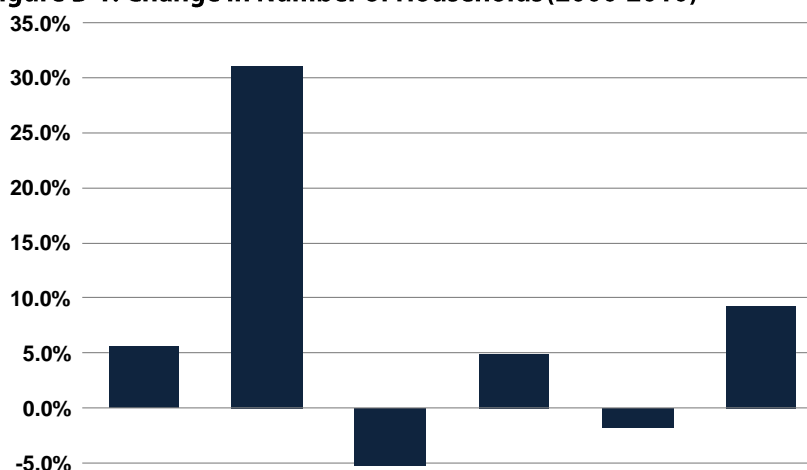
## 2 Household Characteristics

The Census defines a household as all persons who occupy a housing unit, which may include single persons living alone, families related through marriage or blood and unrelated individuals living together. Skilled nursing facilities, residential care facilities, dormitories, and other group living situations are not considered dwelling units, and persons living in them are not considered households; rather, these are group quarters. Information on household characteristics is important to understand the growth and changing needs of a community.

Many household characteristics may contribute to the diverse need for housing, some of which are described in this section: projected households, household type, household size, and household income. According to the 2010 Census, there were 1,086,865 households (equal to occupied housing units) in San Diego County. Of these, 24,062 households, or approximately two percent, were located in Encinitas. (Please note that the total number of households will vary depending on the source and when the data was captured.)

**Figure B-1** shows that between 2000 and 2010, the number of households in the San Diego region grew by 92,188, a gain of approximately nine percent. During this time period, the number of households in Encinitas grew by about six percent. The City will continue to account for approximately two percent of the region's households. Based on Current Demographic and Socio-Economic Estimates published by SANDAG (2014), there are about 24,425 households in the City and 1,105,120 households in the region.

**Figure B-1: Change in Number of Households (2000-2010)**



	Encinitas	Carlsbad	Del Mar	Oceanside	Solana Beach	San Diego
% Change from 2000-2010	5.5%	31.1%	-5.2%	4.9%	-1.8%	9.3%

Source: Bureau of the Census (2000 and 2010).

## 2.1 Household Type and Size

Different household types generally have different housing needs. Seniors or young adults usually comprise the majority of the single-person households and tend to reside in apartments, condominiums or smaller single-family homes. Families with children often prefer single-family homes.

Household size is a significant factor in housing demand. Often, household size can be used to predict the unit size that a household will select. For example, small households (one and two persons per household) traditionally can find suitable housing in units with zero to two bedrooms while larger households (three or more persons per household) can usually find suitable housing in units with two to four bedrooms.

People's choices, however, also reflect preference and economics. Thus, many small households prefer, and obtain, large units.

**Table B-9** shows that Encinitas households mostly consist of families (63 percent). Approximately one-third of the City's family-households had children, according to the 2010 Census. The greatest change from 2000 to 2010 was the 21-percent decrease in other non-families (unrelated persons living together), and a 16-percent increase in married couples without children.

<b>Table B-9: Changes in Household Types (2000–2010)</b>						
<b>Household Types</b>	<b>2000</b>		<b>2010</b>		<b>Change</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Families</b>	14,283	62.6%	15,044	62.5%	+761	+5.3%
<b>Married with Children</b>	5,450	23.9%	5,172	21.5%	-278	-5.1%
<b>Married without Children</b>	5,982	26.2%	6,941	28.8%	+959	+16.0%
<b>Other Families</b>	2,851	12.5%	2,931	12.2%	+80	+2.8%
<b>Non-Families</b>	8,547	37.4%	9,038	37.5%	+491	+5.7%
<b>Single</b>	5,864	25.7%	6,303	26.2%	+439	+7.5%
<b>Other Non-Families</b>	2,683	11.8%	2,118	8.8%	-565	-21.1%
<b>Total Households</b>	<b>22,830</b>	<b>100.0%</b>	<b>24,082</b>	<b>100.0%</b>	<b>+1,252</b>	<b>+5.5%</b>
Source: Bureau of the Census (2000 and 2010).						

In 2017, the average number of persons per household in the San Diego region ranged from 2.1 to 3.5, with a region-wide average of 2.9 persons per household. Encinitas had an average of 2.5 persons per household, representing a small decrease from 2010, when 2.6 persons per household was reported. **Table B-10** compares household size in Encinitas to household size in the surrounding North County coastal cities. Household size varied among the cities, with Del Mar having the lowest in the County. SANDAG estimates that average household size in the region will increase slightly over the next 20 years.

<b>Table B-10: Average Persons per Household North County Coastal Cities and San Diego Region (2017)</b>		
<b>Jurisdiction</b>	<b>Average Household Size (2017)</b>	<b>Projected Average Household Size</b>
<b>Carlsbad</b>	2.60	2.67
<b>Del Mar</b>	2.07	2.24
<b>Encinitas</b>	2.52	2.72
<b>Oceanside</b>	2.88	3.04
<b>Solana Beach</b>	2.34	2.44
<b>San Diego Region</b>	2.95	2.81
Source: Department of Finance (2017)		

## 2.2 Household Income

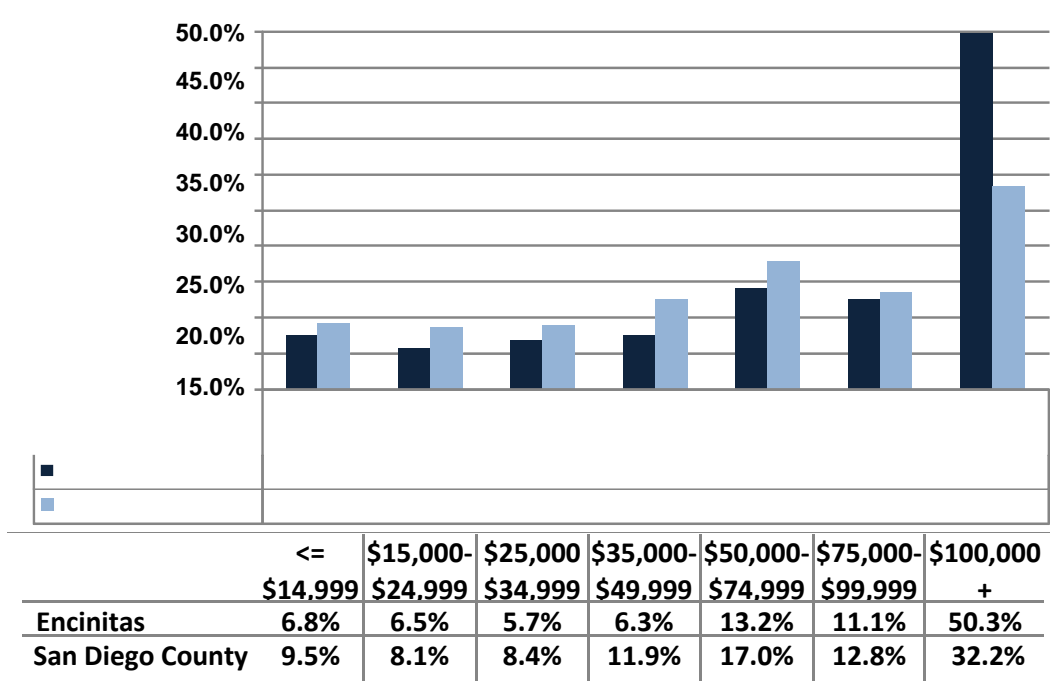
Income levels influence the range of housing prices within a community and the ability of the population to afford housing. As household income increases, the more likely that household is to be a homeowner. As household income decreases, households tend to pay a disproportionate amount of their income for housing and the number of persons occupying unsound and overcrowded housing increases.

Household incomes in Encinitas have consistently been higher than those in the region as a whole. In 1990, the Encinitas median household income was \$46,614 - and the regional median income was \$35,028. The reported median income for the City was approximately 33 percent higher than the region. In 2000, the City's median household income was \$64,821, and the San Diego County median household income was \$47,268. The reported median income was approximately 37 percent higher than the regional average. The 2010 median household income in Encinitas was \$85,350, compared to \$44,772 in the County. This represents a difference of about 90 percent. However, as shown in **Table B-11**, in 2016 median income in Encinitas was again estimated to be approximately 34 percent higher than the regional median (\$100,698 v. \$66,529), consistent with long-term data and suggesting that the 2010 figure was an anomaly.

<b>Table B-11: Median Household Income Estimates (2016)</b>		
<b>Jurisdiction</b>	<b>Median Household Income Adjusted Inflation \$ 2016</b>	<b>Percent Above/Below Regional Median</b>
<b>Carlsbad</b>	\$97,145	+31.7%
<b>Del Mar</b>	\$108,556	+38.9%
<b>Encinitas</b>	\$100,698	+34.1%
<b>Oceanside</b>	\$58,949	-12.4%
<b>Solana Beach</b>	\$100,352	+33.9%
<b>San Diego Region</b>	\$66,529	0%
Note: All figures in 2016 inflation-adjusted dollars. Source: American Community Survey 2012-2016 5-year estimates (2016)		

**Figure B-2** compares household income in Encinitas and in the San Diego region between 2012 and 2016. Approximately 61 percent of Encinitas households had incomes over \$75,000, about 16 percentage points more than region-wide. The biggest discrepancy occurred within the highest-income bracket (\$100,000 or more). Approximately 50 percent of Encinitas households earned \$100,000 or more, compared to 32 percent region-wide.

Figure B-2: Household Income (2012-2016)



Source: Bureau of the Census, American Community Survey (2012-2016).

The state and federal government classify household income into several groupings based upon the relationship to the San Diego Region Area Median Income (AMI), adjusted for household size. The State of California utilizes the following income groups:

- Extremely Low: 0-30% AMI
- Very Low: 31-50% AMI
- Low: 51-80% AMI
- Moderate: 81-120% AMI
- Above Moderate: 120%+ AMI

In 2014, a majority of Encinitas households earned moderate or above moderate incomes (**Table B-12**) while just under one-third (29 percent) of Encinitas households earned low, very low or extremely low incomes.

Table B-12: Household Income Levels (2014)				
Income Level	Renter-Households	Owner-Households	Total Households	Percent of Households
Extremely Low Income (0-30% AMI)	1,440	1,025	2,465	10.6%
Very Low Income (31-50% AMI)	945	890	1,835	7.9%
Low Income (51-80% AMI)	1,265	1,195	2,460	10.7%
Moderate and Above Moderate (>80% AMI) <sup>1</sup>	4,370	12,075	16,445	70.8%
Total	8,025	15,185	23,210	100.0%

Source: CHAS, based on 2010-2014 ACS (5-year estimates).

Note 1: HUD programs are available only to households with incomes at or below 80% AMI. Therefore, the CHAS data groups all households above that income threshold (both moderate and above moderate income) into one income group. HUD CHAS 2010-2014



### 3 Housing Problems

The Comprehensive Housing Affordability Strategy (CHAS) developed by the Census for HUD provides detailed information on housing needs by income level for different types of households in Encinitas. Detailed CHAS data based on the 2010-2014 ACS is displayed in **Table B-13**. Housing problems considered by CHAS include:

- Units with physical defects (lacking complete kitchen or bathroom);
- Overcrowded conditions (housing units with more than one person per room);
- Housing cost burden, including utilities, exceeding 30 percent of gross income; or
- Severe housing cost burden, including utilities, exceeding 50 percent of gross income.

The types of problems vary according to household income, type, and tenure. Some highlights include:

- In general, renter-households had a higher level of housing problems (48 percent) compared to owner-households (41 percent).
- Large renter-families had the highest level of housing problems regardless of income level (78 percent).
- Very low income (82 percent) and low income households (77 percent) had the highest incidence of housing problems.

Table B-13: Median Household Income Estimates (2016)								
Household by Type, Income, and Housing Problem	Renter				Owner			Total Households
	Elderly	Small Families	Large Families	Total Renters	Elderly	Large Families	Total Owners	
Extremely Low Income (0-30% AMI)	200	445	0	1,305	405	25	1,060	2,365
% with any housing problem	82.5%	65.2%	--	65.9%	67.9%	100.0%	77.4%	71.0%
% with cost burden >30%	82.5%	65.2%	--	65.9%	66.7%	80.0%	76.3%	70.6%
% with cost burden > 50%	82.5%	65.2%	--	60.5%	51.9%	80.0%	70.3%	64.9%
Very Low Income (31-50% AMI)	165	370	60	985	375	0	850	1,835
% with any housing problem	81.8%	100.0%	100.0%	93.4%	44.0%	--	67.6%	81.5%
% with cost burden >30%	78.8%	98.6%	100.0%	92.4%	44.0%	--	67.1%	80.7%
% with cost burden >50%	69.7%	63.5%	58.3%	70.1%	28.0%	--	51.8%	61.6%
Low Income (51-80% AMI)	245	535	15	1,415	625	155	1,735	3,150
% with any housing problem	91.8%	86.9%	100.0%	87.3%	44.8%	80.6%	68.0%	76.7%
% with cost burden >30%	85.7%	86.9%	100.0%	86.2%	44.8%	80.0%	68.0%	76.2%
% with cost burden > 50%	65.3%	33.6%	0.0%	36.0%	24.8%	77.4%	47.3%	42.2%
Total Households	1,020	3,305	180	8,025	4,070	1,035	15,025	23,050
Source: CHAS, based on 2010-2014 ACS (5-year estimates)								

### 3.1 Overcrowding

The combination of low incomes and high housing costs has forced many households to live in overcrowded housing conditions. “Overcrowding” is generally defined as a housing unit occupied by more than one person per room in house (including living room and dining rooms, but excluding hallways, kitchen, and bathrooms). Under State law a housing unit is considered overcrowded if there is less than 120 square feet of livable space (all space except the bath, kitchen and hallways) for the first two people and less than an additional 50 square feet for each additional person. Overcrowding can indicate that a community does not have an adequate supply of affordable housing, especially for large families.

According to the Census, between 1990 and 2000, overall overcrowding remained the same in Encinitas; however, severe overcrowding slightly increased from 2.3 percent to 2.8 percent. As **Table B-14** shows,

nearly five percent of the households in Encinitas were overcrowded in 2000, inclusive of the three percent that were severely overcrowded. Overcrowding was more prevalent among renter-households than owner-households, as rental units are typically smaller in size and renter-households typically have lower incomes. The greatest increases were among renter-households from nine percent overcrowding in 1990 to nearly ten percent in 2000 and five percent severe overcrowding to six percent. However, the 2010 census showed that overcrowding had decreased significantly. In 2010, 494 households in Encinitas had overcrowded conditions. Only 2.1 percent of households had more than one occupant per room and only 0.4 percent had more than 1.5 occupants per room. Persons per household have decreased further since 2010, from 2.6 to 2.5 persons per household, suggesting that overcrowding has also been reduced.

Table B-14: Overcrowded Housing Units (1990-2010)						
Overcrowding	Owner Households		Renter Households		Total Households	
	Number	% of Owners	Number	% of Renters	Number	% of Total
<b>1990</b>						
Total Overcrowded (>1.0 persons/room)	252	2.0%	710	9.0%	962	4.6%
Severely Overcrowded (>1.5 persons/room)	81	0.6%	398	5.0%	479	2.3%
<b>2000</b>						
Total Overcrowded (>1.0 persons/room)	297	2.0%	783	9.6%	1,080	4.7%
Severely Overcrowded (>1.5 persons/room)	164	1.1%	483	5.9%	647	2.8%
<b>2010</b>						
Total Overcrowded (>1.0 persons/room)	126	0.8%	368	4.5%	494	2.1%
Severely Overcrowded (>1.5 persons/room)	44	0.3%	51	0.6%	95	0.4%
Source: Bureau of the Census (1990, 2000, 2010).						

### 3.2 Overpayment (Cost Burden)

Measuring the portion of a household's gross income that is spent for housing is an indicator of the dynamics of demand and supply. This measurement is often expressed in terms of "over payers": households paying an excessive amount of their income for housing, therefore decreasing the amount of disposable income available for other needs. This indicator is an important measurement of local housing market conditions as it reflects the affordability of housing in the community. Federal and state agencies use overpayment indicators to determine the extent and level of funding and support that should be allocated to a community. State and federal programs typically define over-payers as those lower income households paying over 30 percent of household income for housing costs. A household is considered experiencing a severe cost burden if it spends more than 50 percent of its gross income on housing.

Table B-15 shows that in the 2012-2016 American Community Survey, 5-Year Estimates, 42 percent of households in the San Diego region were paying over 30 percent of their income toward monthly owner housing costs. Similarly in Encinitas, nearly 38.9 percent of all households were overpaying monthly owner

costs. Renters were more likely to overpay than owners; in the region 57.0 percent of renters overpaid, compared to 51.8 percent in Encinitas.

Table B-15: Overpayment (2012-2016)						
	Renters			Owners		
	Paying 30%+	Paying 30%+	% Paying 30%+	Paying 30%+	Paying 30%+	% Paying 30%+
Carlsbad	14,642	7,364	50.3%	20,531	7633	37.2%
Del Mar	1,040	441	42.4%	768	385	50.1%
Encinitas	8,105	4,195	51.8%	10,939	4251	38.9%
Oceanside	24,675	15,247	61.8%	24,176	10600	43.8%
Solana Beach	2,332	1,204	51.6%	2,121	832	39.2%
San Diego Region	494,272	281,913	57.0%	420,723	178,840	42.5%
Note: Households do not equal total presented in other tables because housing costs were not computed for all households. Source: Fact Finder: 2012-2016 American Community Survey						

In the region monthly owner costs were \$2,341 and the gross rent was \$1,395. In Encinitas, the total cost of housing was higher. Monthly costs were \$2,400 for housing units with a mortgage, requiring an annual income of \$96,000 to avoid overpayment. Gross rent was \$1,791, requiring an annual income of \$71,640. (Note that this data reflects those occupying homes between 2012 and 2016 and not current costs and rents.)

The prevalence of overpayment varies significantly by income, tenure, household type, and household size. **Table B-16** provides more overpayment detail by income group for Encinitas. Over 78 percent of the lower income households were overpaying versus 26 percent for the moderate and above moderate households.

Table B-16: Overpayment by Tenure and Income Level, Encinitas (2014)			
Household Income Group	Total Renters	Total Owners	Total
<b>Extremely Low (&lt;=30% MFI)</b>	<b>1,440</b>	<b>1,025</b>	<b>2,465</b>
<i>Cost Burden &gt;30%</i>	<i>930</i>	<i>665</i>	<i>1595</i>
<i>%Cost Burden &gt;30%</i>	<i>64.6%</i>	<i>64.9%</i>	<i>64.7%</i>
<b>Very Low (&gt;30% to &lt;=50% MFI)</b>	<b>945</b>	<b>890</b>	<b>1,835</b>
<i>Cost Burden &gt;30%</i>	<i>880</i>	<i>615</i>	<i>1495</i>
<i>%Cost Burden &gt;30%</i>	<i>93.1%</i>	<i>69.1%</i>	<i>81.5%</i>
<b>Low (&gt;50% to &lt;=80% MFI)</b>	<b>1,265</b>	<b>1,195</b>	<b>2,460</b>
<i>Cost Burden &gt;30%</i>	<i>1,075</i>	<i>840</i>	<i>1915</i>
<i>%Cost Burden &gt;30%</i>	<i>85.0%</i>	<i>70.3%</i>	<i>77.8%</i>
<b>Moderate &amp; Above Moderate (&gt;80% MFI)</b>	<b>4,370</b>	<b>12,075</b>	<b>16,445</b>

**Table B-16: Overpayment by Tenure and Income Level, Encinitas (2014)**

Household Income Group	Total Renters	Total Owners	Total
<i>Cost Burden &gt;30%</i>	885	3,415	4300
<i>%Cost Burden &gt;30%</i>	20.3%	28.3%	26.1%
<b>Total</b>	<b>8,025</b>	<b>15,180</b>	<b>23,210</b>
<i>Cost Burden &gt;30%</i>	3,770	5,535	9305
<i>%Cost Burden &gt;30%</i>	47.0%	36.5%	40.1%
Note: Totals may not be exact due to rounding. Please note the Census Bureau uses a special rounding scheme for special tabulations such as these. Therefore, totals may not match other census datasets. Source: CHAS, based on 2010-2014 ACS.			

According to the ACS data, between 2010 and 2014, 47 percent of renter-occupied households in Encinitas spent more than 30 percent of their household income on housing. By contrast, a slightly lower percentage of owner-households (36.5 percent) overpaid for housing.

Housing costs are indicative of housing accessibility. Typically, if housing demand exceeds housing supply, housing costs will rise. As documented earlier, housing costs in Encinitas tend to be higher than those in the San Diego region as a whole. Even higher income families in Encinitas spend a higher proportion of their earnings on housing costs and have proportionally less disposable income for goods and services. In 1990, the City's median household value was \$285,891. At the same time, the household median income was \$46,614. As of 2016, the median value of a home in Encinitas was \$820,400 and the median income of a household was \$100,698. This change corresponds to a 187 percent increase in home values and a 116 percent increase in household income. The median price had increased to \$1,008,500 by 2018. Depending on the interest rate and/or down-payment and non- mortgage debt, it is reasonably expected that a household would need to earn between \$175,000 and \$200,000 in order to purchase a home at the City's listed median price.

The Center for Policy Initiatives published a 2014 year-end report, "Making Ends Meet" quantifying the reality that many San Diegans live on incomes above the official poverty measure, but below self-sufficiency. The analysis is based on the Self- Sufficiency Standard rather than the Federal Poverty Threshold because it includes county-specific costs such as housing, transportation, child care, food and taxes, etc. The study found that the cost of a basic lifestyle without public or private assistance is beyond the reach of 38 percent of all working-age households in San Diego County. While costs vary substantially by place, in general housing costs put a tremendous strain on a household's most basic expenses.

## 4 Special Needs Groups

Certain segments of the population may have more difficulty in finding decent, affordable housing due to their special needs. Special circumstances may be related to one's employment and income, family characteristics, disability and household characteristics, among other factors. Consequently, certain residents in Encinitas may experience higher incidences of housing cost burden, overcrowding or other housing problems. The special needs groups analyzed include the elderly, people with disabilities,

homeless people, single parents, farm workers, large households, and students (**Table B-17**). Many of these groups overlap, for example, single parents may have large households, and many elderly people have a disability of some type. The majority of these special needs groups would be assisted by an increase in affordable housing, especially housing located near public transportation and services. **Table B-18** provides a list of services and facilities available to assist households/persons with special needs. Several of these agencies routinely receive funding from the City of Encinitas Community Development Block Grant (CDBG) program.

<b>Table B-17: Special Needs Groups in Encinitas (2010)</b>						
<b>Special Needs Group</b>	<b># of People or Households</b>	<b>Number of Owners</b>	<b>% of Owners</b>	<b>Number of Renters</b>	<b>% of Renters</b>	<b>% of Total Households or Population</b>
Households with Seniors	5,501	-	-	-	-	22.8%
Senior Headed Households	4,902	3,616	73.8%	1,286	26.2%	20.4%
Seniors Living Alone	2,118	1,190	56.2%	928	43.8%	8.8%
Persons with Disabilities <sup>1</sup>	7,497	-	-	-	-	12.9%
Large Households	1,740	1,153	66.3%	587	33.7%	7.2%
Single-Parent	1,440	-	-	-	-	6.0%
Female Headed Households	5,503	-	-	-	-	22.9%
Female Headed Households with children	974	-	-	-	-	4.0%
People Living in Poverty <sup>1</sup>	4,220	-	-	-	-	7.3%
Farmworkers <sup>1</sup>	103	-	-	-	-	0.2%
Homeless	184	-	-	-	-	0.3%
1. 2010 Census does not contain updates to these variables; 2000 Census data is used. Source: Bureau of the Census (2000 and 2010) and Regional Housing Task Force on the Homeless (2010)						

<b>Table B-18: Services for Special Needs Populations (2016)</b>			
<b>Special Needs Services</b>	<b>Program</b>	<b>Details</b>	<b>Location</b>
Emergency Shelters	Catholic Charities, La Posada de Guadalupe	50 beds for homeless men	Carlsbad
	Community Resource Center Libre!	<b>36 beds for women with children, victims of domestic violence; motel vouchers</b>	Encinitas
	Encinitas Social Services	General Population	Encinitas
	Brother Benno's Foundation, Good Samaritan Shelter	<b>12 beds for homeless men</b>	Oceanside
	Brother Benno's Foundation, House of Martha Ann Mary	<b>6 beds for women with children, victims of domestic violence</b>	Oceanside

Table B-18: Services for Special Needs Populations (2016)			
Special Needs Services	Program	Details	Location
	M.I.T.E. North County Detox	<b>6 beds for adults, substance abuse treatment</b>	Oceanside
	Women's Resource Center	<b>26 beds for women with children, victims of domestic violence</b>	Oceanside
Permanent Supportive Housing	CHW – Marisol Apartments	21 beds for HIV/AIDS patients	Undisclosed
	CHW-Old Grove	4 beds for HIV/AIDS patients	Undisclosed
	CHW-Old Grove	40 beds for farm/day laborers	Undisclosed
	Fraternity House, Inc. – Michelle's House	12 HIV/AIDS patients	Vista
	North County Solutions for Change – Solutions Family Center	40 homeless families with children	Vista
Transitional Housing/Shelters	MHS – Family Recovery Center	90 Women with children and substance abuse treatment	Oceanside
	Women's Resource Center, Transition House	61 Women with children	Oceanside
	Women's Resource Center	26 Women with children, victims of domestic violence	Oceanside
	YMCA Oz North Coast	10 Homeless Youth	Oceanside
Services for the Homeless and At-Risk Families	North Coastal Mental Health	Homeless severely mentally ill	Regional
	North County Lifeline – Hotel Vouchers	General homeless	Oceanside
	North County Community Services Food Bank	Food distribution	San Marcos
	Interfaith Community Services (Winter Shelter)	100 General homeless	Escondido
	Salvation Army Adult Rehab Center	Drug/alcohol abuse	San Diego
	Second Chance	Drug/alcohol abuse	San Diego
	Stepping Stone	Drug/alcohol abuse	San Diego
Senior/Disabled Services	Access Center, Inc.	Independent living assistance	Vista
	Serving Seniors-Senior Community Centers	Meals, health and wellness	Regional
Source: City of Encinitas			

## 4.1 Elderly

Many senior-headed households have special needs due to their relatively low incomes, disabilities or limitations, and dependency needs. Specifically, people aged 65 years and older often have four main concerns:

- *Housing:* Many seniors live alone and may have difficulty maintaining their homes.
- *Income:* People aged 65 and over are usually retired and living on a limited income.
- *Healthcare:* Seniors are more likely to have high health care costs.
- *Transportation:* Many of the elderly rely on public transportation; especially those with disabilities.

In 1990, there were 5,074 persons in this age category (9.1 percent of citywide total). In 2000, there were 6,064 persons (10.4 percent). **Table B-19** shows that 8,393 persons were age 65 and over in Encinitas in 2010. This accounted for about 14 percent of the City's total residents, higher than the percentage share in the region as a whole. By the Year 2035, the senior-aged population will be 16,810, which is expected to be about 22.6 percent of the citywide total. This forecast represents a 200 percent increase from 2010, and a 2.9 percent annual growth rate. While many in this "age wave" have the financial resources they need, many do not. For those who have only small pensions, social security and a few assets, the limited income of many elderly persons often makes it difficult for them to find affordable housing. In the San Diego region, the elderly spend a higher percentage of their income for food, housing, medical care, and personal care than non-elderly families. Many single elderly persons need some form of housing assistance. In 2010, nine percent of the San Diego region's residents aged 65 and over were living in poverty. At the same time, approximately 6.5 percent of the City's elderly population was living in poverty.

**Table B-19: Persons Age 65 and Over (2010)**

Jurisdiction	Total	Age 65+	Percent Age 65+
Carlsbad	105,328	14,798	14.0%
Del Mar	4,161	866	20.8%
Encinitas	59,518	8,393	14.1%
Oceanside	167,086	21,501	12.9%
Solana Beach	12,867	2,404	18.7%
San Diego Region	3,095,313	351,425	11.4%
Source: Bureau of the Census (2010).			



<b>Table B-20: Elderly Households by Tenure and Income Level Encinitas(2011)</b>					
<b>Household by Type, Income and Housing Problem</b>	<b>Renters</b>		<b>Owners</b>		<b>Total Households</b>
	<b>Elderly Renters</b>	<b>Total Renters</b>	<b>Elderly Owners</b>	<b>Total Owners</b>	
<b>Household Income &lt;=30% AMI</b>	<b>200</b>	<b>1440</b>	<b>405</b>	<b>1025</b>	<b>2,465</b>
% with any housing problems	82.5%	64.6%	67.9%	65.9%	65.1%
% Cost Burden >30%	82.5%	64.6%	66.7%	64.9%	64.5%
% Cost Burden >50%	82.5%	63.2%	51.9%	49.8%	57.4%
<b>Household Income &gt;30 to &lt;=50% AMI</b>	<b>165</b>	<b>945</b>	<b>375</b>	<b>890</b>	<b>1,835</b>
% with any housing problems	81.8%	93.1%	44.0%	69.7%	81.7%
% Cost Burden >30%	78.8%	93.1%	44.0%	69.1%	81.7%
% Cost Burden >50%	69.7%	70.9%	28.0%	49.4%	60.8%
<b>Household Income &gt;50 to &lt;=80% AMI</b>	<b>245</b>	<b>1265</b>	<b>625</b>	<b>1195</b>	<b>2,460</b>
% with any housing problems	91.8%	86.6%	44.8%	70.3%	78.6%
% Cost Burden >30%	85.7%	85.0%	44.8%	70.3%	77.8%
% Cost Burden >50%	65.3%	43.5%	24.8%	49.0%	46.1%
<b>Household Income &gt;80% AMI</b>	<b>410</b>	<b>4370</b>	<b>2,665</b>	<b>12075</b>	<b>16,445</b>
% with any housing problems	36.6%	24.8%	24.6%	29.6%	28.3%
% Cost Burden >30%	30.5%	20.3%	24.4%	28.3%	26.2%
% Cost Burden >50%	12.2%	1.4%	7.7%	10.6%	8.2%
<b>Total Households</b>	<b>1,020</b>	<b>8,025</b>	<b>4,070</b>	<b>15,180</b>	<b>23,210</b>
% with any housing problems	66.2%	49.8%	33.8%	37.6%	41.8%
% Cost Burden >30	61.8%	47.0%	33.5%	36.5%	40.1%
% Cost Burden >50	48.0%	27.3%	16.6%	18.6%	21.6%
Notes: Any housing problems: cost burden greater than 30% of income and/or overcrowding and/or without complete kitchen or plumbing facilities. Other housing problems: overcrowding (1.01 or more persons per room) and/or without complete kitchen or plumbing facilities. Elderly households: 1 or 2 person household, either person 62 years old or older. Source: CHAS, based on 2010-2014 ACS.					

**Table B-20** shows elderly households in Encinitas broken down by tenure and income level. A higher proportion of elderly renter-occupied households had housing problems (66 percent) than all renter-occupied households (50 percent). Housing problems are defined as overpayment (cost burden) greater

than 30 percent of income and/or overcrowding and/or without complete kitchen or plumbing facilities. Additionally, 62 percent of elderly renter-occupied households were paying more than 30 percent of their income for housing compared with 47 percent of all renter households. Elderly owner-occupied households, on the other hand, tend to be better off than all owner-occupied households as a group. Just over one-third (34 percent) had any housing problem compared with 38 percent of all owner-occupied households. Likewise, just over one-third (34 percent) were paying more than 30 percent of their income towards housing versus 37 percent of all owner-occupied households. Persons with Disabilities

## 4.2 Persons with Disabilities

According to the Census, a person is considered to have a disability if he or she has difficulty performing certain functions (seeing, hearing, talking, walking, climbing stairs, and lifting and carrying), or has difficulty with certain social roles (for example, doing school work for children, working at a job, and around the house for adults). A person, who is unable to perform one or more activities, uses an assistive device to get around, or who needs assistance from another person to perform basic activities is considered to have a severe disability.

According to the 2012-2016 ACS, approximately 8.5 percent of Encinitas residents over five years of age had a disability. Whereas only 3.2 percent of the population under 18 years of age had a disability, 30.9 percent of the population 65 years and over had a disability – demonstrating that the likelihood of having a disability increases with age. And among persons with a disability, the likelihood that the disability will be severe also increases with age.

Among the difficulties tallied, ambulatory difficulties were the most prevalent (52 percent), followed by independent living difficulties (40 percent), and then hearing and cognitive difficulties (37 percent each) (**Table B-21**). Ambulatory difficulties (60 percent) and hearing and independent living difficulties (46 percent each) were most prevalent among residents 65 years and over.

<b>Table B-21: Disabilities Tallied by Age and Type (2016)</b>				
<b>Disability Type</b>	<b>Age 5 to 17</b>	<b>Age 18 to 64</b>	<b>Age 65+</b>	<b>Total</b>
<b>With a hearing difficulty</b>	51	327	1,425	1,803
<b>With a vision difficulty</b>	62	217	436	715
<b>With a cognitive difficulty</b>	239	713	875	1,827
<b>With an ambulatory difficulty</b>	47	651	1,844	2,542
<b>With a self-care difficulty</b>	91	236	1,077	1,404
<b>With an independent living difficulty</b>	--	569	1,410	1,979
<b>Total</b>	295	1,557	3,067	4,919
Notes: Persons under 5 years of age are not included in this table. Persons may have multiple disabilities. Source: 2012-2016 American Community Survey				

Four factors—affordability, design, location, and discrimination—significantly limit the supply of housing available to households of persons with disabilities. The most obvious housing need for persons with

disabilities is housing that is adapted to their needs. Most single-family homes are inaccessible to people with mobility and sensory limitations. Housing may not be adaptable to widened doorways and hallways, access ramps, larger bathrooms, lowered countertops, and other features necessary for accessibility. Location of housing is also an important factor for many persons with disabilities, as they often rely upon public transportation to travel to necessary services and shops. “Barrier free design” housing, accessibility modifications, proximity to services and transit, and group living opportunities are important in serving this group.

Incorporating barrier-free design in all new multi-family housing is especially important to provide the widest range of choices for the disabled. (Please see the section on Constraints for an expanded discussion.)

Housing advocacy groups report that people with disabilities are often the victims of discrimination in the home buying market. People with disabilities, whether they work or receive disability income are often perceived to be a greater financial risk than persons without disabilities with identical income amounts. The 2000 Census reported that 10.7 percent of persons with disabilities in Encinitas were living below the poverty level. It also estimated that 48 percent of people with disabilities between the ages of 16 and 64 years in the City were not employed.

The Housing Element is required to discuss the housing needs of persons with developmental disabilities. As defined by federal law, “developmental disability” means a severe, chronic disability of an individual that:

- Is attributable to a mental or physical impairment or combination of mental and physical impairments;
- Is manifested before the individual attains age 18 (Note: State of California has a manifestation age of 18 years of age, Federal is 22 years);
- Is likely to continue indefinitely;
- Results in substantial functional limitations in three or more of the following areas of major life activity: a) self-care; b) receptive and expressive language; c) learning; d) mobility; e) self-direction; f) capacity for independent living; or g) economic self-sufficiency;
- Reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

The Census does not record developmental disabilities. According to the U.S. Administration on Developmental Disabilities, an accepted estimate of the percentage of the population that can be defined as developmentally disabled is 1.5 percent. This equates to 893 persons in the City of Encinitas with developmental disabilities based on the 2010 Census population. The San Diego Regional Center, which provides services for persons with developmental disabilities, publishes client statistics for its area offices. The City of Encinitas is served by the North County office in Carlsbad. As of February 2017, the North County office served 5,614 persons. The Encinitas population represents about seven percent of the North County population. Therefore, it can be generally estimated that about 393 clients served by the North County area office of the Regional Center are Encinitas residents.

Many developmentally disabled persons can live and work independently within a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person's living situation as a child to an appropriate level of independence as an adult.

### 4.3 Large Households

Large households are identified as a group with special housing needs because of the limited availability of adequately sized, affordable housing units. Large households often have lower incomes and frequently live in overcrowded smaller dwelling units, which can result in accelerated unit deterioration. **Table B-22** compares the number of large households in Encinitas to that in the county as a whole. In 2010, 7.2 percent of households in Encinitas consisted of five or more persons, compared to almost 14 percent region-wide.

<b>Table B-22: Large Households Encinitas and San Diego Region (2010)</b>				
<b>Jurisdiction</b>	<b>Persons in Household</b>			<b>Total Households</b>
	<b>5</b>	<b>6</b>	<b>7+</b>	
<b>Encinitas</b>	1,111	357	272	1,740
Percent of Total	4.6%	1.5%	1.1%	7.2%
<b>San Diego County</b>	80185	36149	32447	148,781
Percent of Total	7.4%	3.3%	3.0%	13.7%
Source: Bureau of the Census(2010).				

As shown in **Table B-23**, a greater percentage of larger households had housing problems (55 percent) than all households (42 percent) in 2014. Housing problems can be defined as cost burden (overpayment) greater than 30 percent of income and/or overcrowding and/or without complete kitchen or plumbing facilities. Renter-occupied large households (as a group) tend to have more housing problems than owner-occupied large households. The majority of renter-occupied large households (78 percent) had one or more housing problems, while just over half of the larger owner-occupied households (51 percent) had one or more housing problem

<b>Table B-23: Large Households by Tenure and Income Level, Encinitas (2014)</b>					
<b>Household by Type, Income, &amp; Housing Problem</b>	<b>Renters</b>		<b>Owners</b>		<b>Total Households</b>
	<b>Large Related (5 or more members)</b>	<b>Total Renters</b>	<b>Large Related (5 or more members)</b>	<b>Total Owners</b>	
<b>Household Income &lt;=30% AMI</b>	<b>0</b>	<b>1,440</b>	<b>25</b>	<b>1,025</b>	<b>2,465</b>
% with any housing problems	--	64.6%	100.0%	65.9%	65.1%
% Cost Burden >30%	--	64.6%	80.0%	64.9%	64.5%
% Cost Burden >50%	--	63.2%	80.0%	49.8%	57.4%
<b>Household Income &gt;30 to</b>	<b>60</b>	<b>945</b>	<b>0</b>	<b>890</b>	<b>1,835</b>

**Table B-23: Large Households by Tenure and Income Level, Encinitas (2014)**

Household by Type, Income, & Housing Problem	Renters		Owners		Total Households
	Large Related (5 or more members)	Total Renters	Large Related (5 or more members)	Total Owners	
<b>&lt;=50% AMI</b>					
% with any housing problems	100.0%	93.1%	--	69.7%	81.7%
% Cost Burden >30%	100.0%	93.1%	--	69.1%	81.7%
% Cost Burden >50%	58.3%	70.9%	--	49.4%	60.8%
Household Income >50 to 80% AMI	15	1,265	155	1,195	2,460
% with any housing problems	100.0%	86.6%	80.6%	70.3%	78.6%
% Cost Burden >30%	100.0%	85.0%	80.0%	70.3%	77.8%
% Cost Burden >50%	0.0%	43.5%	77.4%	49.0%	46.1%
Household Income >80% AMI	105	4,370	855	12,075	16,445
% with any housing problems	61.9%	24.8%	44.4%	29.6%	28.3%
% Cost Burden >30%	47.6%	20.3%	41.5%	28.3%	26.2%
% Cost Burden >50%	0.0%	1.4%	10.5%	10.6%	8.2%
<b>Total Households</b>	<b>180</b>	<b>8,025</b>	<b>1,035</b>	<b>15,180</b>	<b>23,210</b>
Note: Any housing problems: cost burden greater than 30% of income and/or overcrowding and/or without complete kitchen or plumbing facilities. Source: CHAS, based on 2010-2014 ACS					

#### 4.4 Single-Parent Households

Single parents with dependent children represent another important group with special housing needs. Single-parent households often require special consideration and assistance because they tend to have lower incomes and a greater need for daycare, and related facilities. **Table B-24** shows that in 2016, Encinitas had 1,292 single-parent households. Of these, the majority (70 percent) were female-headed households

**Table B-24: Single-Parent Households Encinitas and San Diego Region (2016)**

	Total HHs	Single- Parent HHs	Percent Total HHs	Female-Headed HHs with Children	Percent Female Headed HHs
Encinitas	23,695	1,292	5.4%	908	70.3%
San Diego Region	1,103,128	94,202	8.5%	68,465	72.7%
HHs = Households Source: Bureau of the Census (2016)					

## 4.5 Residents Living in Poverty

Families, particularly female-headed families, are disproportionately affected by poverty. In 2000, seven percent of the City's total residents (4,220 persons) were living in poverty. Approximately 14 percent of female-headed families with children, however, had incomes below the poverty level. The 2011-2013 ACS reports also reports 8.4 percent of the city population and almost 17.6 percent of the female-headed families living below the poverty line. Based on the 2011-2013 ACS, 11,416 households were at 200 percent of the poverty level.

## 4.6 Homeless

Throughout the country and the San Diego region, homelessness has become an increasingly important issue. Factors contributing to the rise in homelessness include a lack of housing affordable to low and moderate income persons, increases in the number of persons whose incomes fall below the poverty level, reductions in public subsidies to the poor, and the de-institutionalization of the mentally ill.

State law mandates that municipalities address the special needs of homeless persons within their jurisdictional boundaries. "Homelessness" as defined by the U.S. Department of Housing and Urban Development, describes an individual (not imprisoned or otherwise detained) who:

- Lacks a fixed, regular, and adequate nighttime residence; and
- Has a primary nighttime residence that is:
  - A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
  - An institution that provides a temporary residence for individuals intended to be institutionalized; or
  - A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

This definition does not include persons living in substandard housing, (unless it has been officially condemned); persons living in overcrowded housing (for example, doubled up with others), persons being discharged from mental health facilities (unless the person was homeless when entering and is considered to be homeless at discharge), or persons who may be at risk of homelessness (for example, living temporarily with family or friends.)

The Regional Task Force on the Homeless (RTFH) is San Diego County's leading resource for information on issues of homelessness. Established in 1985, the Task Force promotes a regional approach as the best solution to ending homelessness in San Diego County. The Task Force is a public/private effort to build a base of understanding about the multiple causes and conditions of homelessness. According to the Task Force, the San Diego region's homeless population can be divided into two general groups: (1) urban homeless, and (2) rural homeless, including farm workers and day laborers who primarily occupy the hillsides, canyons and fields of the northern regions of the county. It is important to recognize that homeless individuals may fall into more than one category (for example, a homeless individual may be a veteran and a substance abuser), making it difficult to accurately quantify and categorize the homeless.

Since the homeless population is very difficult to quantify, Census information on homeless populations is often unreliable, due to the difficulty of efficiently counting a population without permanent residences. The Task Force compiles data from a physical Point-In-Time (PIT) count of sheltered (emergency and transitional) and street homeless persons. The 2011, 2015, and 2017 counts were conducted in January of each respective calendar year and the results are shown in **Table B-25**. Counts for 2018 were conducted in January 2018 and showed that the total homeless population had increased to 125 persons, approximately equal to the 2015 total. In 2017 Oceanside, Carlsbad, and Encinitas had the largest homeless populations of the North County Coastal cities. In 2011, of the 184 homeless persons in Encinitas, 50 were sheltered and 134 were unsheltered. In 2018, 39 were sheltered and 86 were unsheltered; meaning however, that the total homeless population decreased, although fewer were sheltered.

There is no data presently available documenting the increased level of demand for shelter in Encinitas during particular times of year. Due to the mild climate, the only time of year when increased demand may be a factor is during the winter months (November to March), when homeless persons may be attracted to the City's mild climate. The homeless count always takes place in the last week of January, a period when demand for shelter typically is at the highest. Since the year-round need described in this section is based on that annual count, the need for emergency shelter either year-round or seasonally is not likely to be greater than that found during the 2018 homeless count.

<b>Table B-25: Homelessness in North County Coastal Cities and the San Diego Region (2011 – 2017)</b>			
<b>Jurisdiction</b>	<b>2011 Total</b>	<b>2015 Total</b>	<b>2017 Total</b>
<b>Carlsbad</b>	83	88	160
<b>Del Mar</b>	11	0	3
<b>Encinitas</b>	184	123	117
<b>Oceanside</b>	452	420	531
<b>Solana Beach</b>	7	3	3
<b>San Diego Region</b>	9,020	8,529	9,116
Source: Regional Housing Task Force on the Homeless (2011, 2015 and 2017).			

#### 4.7 Agricultural Workers

Due to the high cost of housing and low wages, a significant number of migrant farm workers have difficulty finding affordable, safe and sanitary housing. According to the State Employment Development Department, the average farm worker earned between \$22,000 and \$35,000 annually.<sup>2</sup> This limited income is exacerbated by their tenuous and/or seasonal employment status. It is estimated that there are between 100 and 150 farm worker camps located throughout the San Diego region, primarily in rural areas. These encampments range in size from a few people to a few hundred and are frequently found in fields, hillsides, canyons, ravines, and riverbeds, often on the edge of their employer's property. Some workers reside in severely overcrowded dwellings, in packing buildings, or in storage sheds.

Farmworkers needs also are difficult to quantify due to the fear of job loss and the fear of authority. Thus, migrant farm workers, in particular, are given low priority when addressing housing needs, and often

receive the least hospitable housing. The San Diego County Regional Task Force on the Homeless estimates that there are at least 2,300 farm workers and migrant day laborers who currently experience homelessness in the San Diego region.

**Table B-26** shows that approximately 368 Encinitas residents were employed in agriculture, accounting for less than three percent of the region's agricultural workforce and less than two percent of the City's employment base.

<b>Table B-26: Agricultural Workers (2012-2016)</b>			
<b>Jurisdiction</b>	<b>Agricultural and Mining Workers</b>	<b>Percent of Total Employment</b>	<b>Percent of Regional Ag. Employment</b>
<b>Carlsbad</b>	407	0.8%	2.9%
<b>Del Mar</b>	0	0	0
<b>Encinitas</b>	368	1.2%	2.7%
<b>Oceanside</b>	1,061	1.3%	7.6%
<b>Solana Beach</b>	84	1.2%	0.6%
<b>San Diego Region</b>	13,855	0.9%	100%
Source: Fact Finder: 2012-2016 American Community Survey			

Farm employment in Encinitas is almost exclusively related to horticultural operations, and in particular, the flower growing industry. In general, the employees in the City's horticultural industry are reported to be skilled to highly skilled, long-term workers with established roots in the community. The City's flower-growing operations report that they employ a stable, year-round labor force.

For low-income agricultural workers who desire to live in Encinitas, their need for affordable housing would be similar to that of other lower income persons, and affordable housing in the City would serve farmworkers as well as others employed in low-wage jobs. Provisions required by State law regarding employee housing and emergency shelters may also assist farmworkers.

#### 4.8 Migrant Day Laborers

In Encinitas and other North County locales, numerous Hispanic immigrants seek work as day laborers. Because of the City's proximity to the Mexican border and its location along a major transportation route, Encinitas provides a convenient temporary place to seek work before moving on to industrial or agricultural jobs further north. The availability of jobs, including temporary day-jobs, and the number of open spaces which can be utilized as transient campsites, make Encinitas attractive to these workers.

A particular problem in providing funds to farm workers and day laborers is that U.S. Department of Housing and Urban and Development (HUD) funds cannot be used to assist persons who are not legally in the United States. While state law does not allow questions of renters regarding legal residency, federal programs, including Section 8 vouchers, require legal residency.

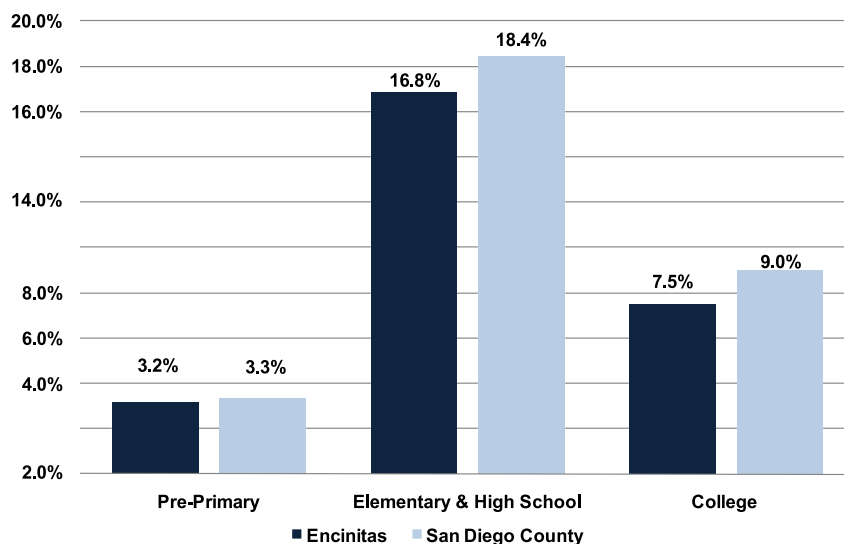


## 4.9 Students

The need for student housing is another significant factor affecting housing demand. Although students may produce only a temporary housing need (but the need is ongoing as long as the educational institution is in session), the impact upon housing demand is critical in areas that surround universities and colleges. Typically, students are low income and are, therefore, affected by a lack of affordable housing, especially within easy commuting distance from campus. They often seek shared housing situations to decrease expenses, and can be assisted through roommate referral services offered on and off campus. The lack of affordable housing also influences choices students make after graduation, often with a detrimental effect upon the region's economy. College graduates provide a specialized pool of skilled labor that is vital to the economy; however, the lack of affordable housing often leads to their departure from the region.

**Figure B-3** shows that in 2000, approximately eight percent of Encinitas residents were enrolled in college, a lower percentage than the region as a whole. Although Mira Costa Community College is located in Encinitas, no housing is designated for students on campus. Community colleges typically do not provide housing because they are colleges that serve the educational needs of students already residing in the local community.

**Figure B-3: Percent of Residents Enrolled in School (2000)**



Based on the 2008-2012 American Community Survey, 5 Year Estimates, the percent of residents enrolled in college dropped from 7.5 percent to 6.2 percent. The percent of elementary and high school students dropped quite considerably during this same time period, moving from 16.8 percent in 2000 to 8.0 percent.

Since 2010 the population of those under 18 has stabilized, perhaps due to the excellent local schools. In 2010, there were 12,120 persons in the City that were of school age (i.e. under the age of 18 years). This represented about 20.3 percent of the total City population. The 2016 estimated school-age population 20.8 percent of the total population.

## 5 Housing Stock Characteristics

A community's housing stock is defined as the collection of all housing units located within the jurisdiction. The characteristics of the housing stock, including growth, type, age and condition, tenure, vacancy rates, housing costs, and affordability are important in determining the housing needs for the community. This section details the housing stock characteristics of Encinitas to identify how well the current housing stock meets the needs of current and future residents of the City.

### 5.1 Housing Growth

**Table B-27** shows that between 2000 and 2010, Encinitas' housing stock increased by four and a half percent. In comparison, the adjacent Carlsbad had the greatest amount of growth with a 29.6 percent increase in units.

Table B-27: Housing Unit Growth (2000 and 2010)			
Jurisdiction	2000	2010	Percent Change 2000-2010
Carlsbad	33,812	43,844	29.6%
Del Mar	2,557	2,542	0.6%
Encinitas	23,829	24,877	4.4%
Oceanside	59,583	64,758	8.6%
Solana Beach	6,456	6,521	1.0%
San Diego Region	1,040,149	1,149,426	10.5%
Source: Bureau of the Census (2000 and 2010)			

### 5.2 Projected Housing Units

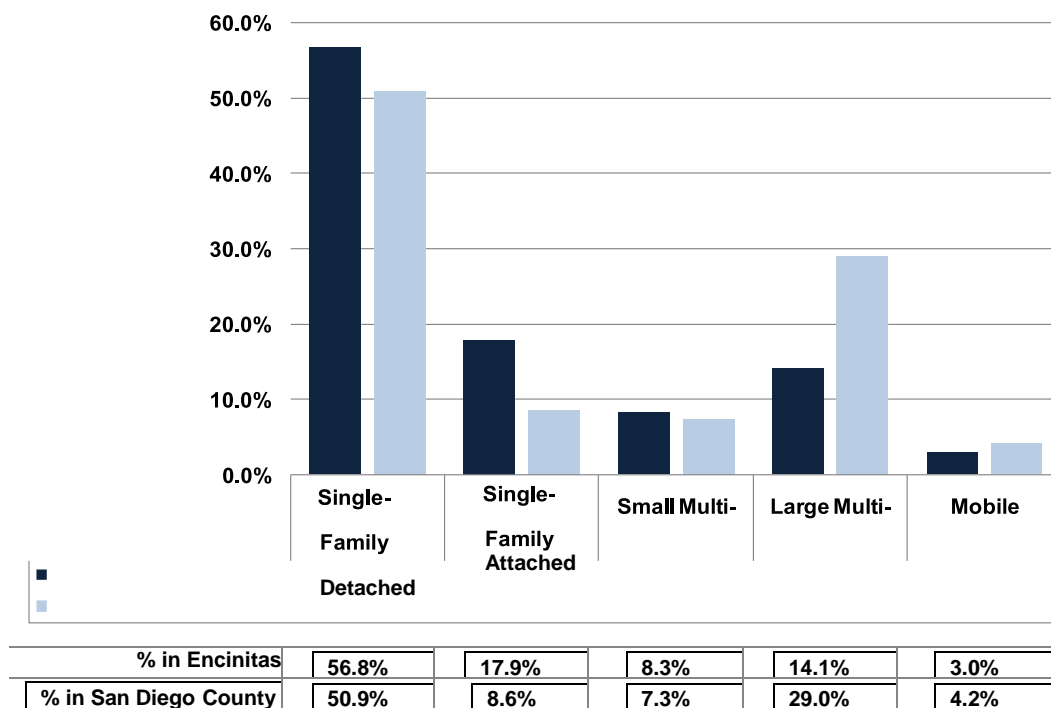
**Table B-28** shows that, between 2010 and 2050, Encinitas will experience an increase of 8.6 percent in housing stock and approximately 29 percent more units will be added in the region. All of the North County coastal cities are projected to have slower rates of housing growth compared to the region between 2010 and 2050.

Table B-28: Housing Unit Growth (Forecasted to 2050)			
Jurisdiction	2010	2050	Percent Change 2010-2050
Carlsbad	44,422	50,212	13%
Del Mar	2,606	2,667	2.3%
Encinitas	25,481	27,667	8.6%
Oceanside	65,014	71,248	9.6%
Solana Beach	6,521	7,118	9.2%
San Diego Region	1,158,076	1,494,804	28.8%
Source: Bureau of the Census (2010) and SANDAG Series 13 Subregional Growth Projections.			

### 5.3 Housing Type

**Figure B-4** shows that in 2010, the largest percentage (57 percent) of housing units in Encinitas was single-family detached units. Approximately 18 percent were single-family attached units, eight percent were small multi-family developments with two to four units, 14 percent were large multi-family developments with five or more units, and three percent were mobile homes/trailers.

**Figure B-4: Type of Housing Unit (2010)**



Source: California Department of Finance(2010).

**Table B-29** shows that the percentage of both single- and multi-family housing units in Encinitas is projected to fluctuate slightly, while the percentage of mobile homes slightly decreases. This figure may be misleading because SANDAG forecasts mobile homes by determining the region's mobile home growth rate and applying it to each jurisdiction. Also, as noted previously, SANDAG prepared a 2013 update (Series 13) to its regional forecasting model. The numbers presented in this section rely on data available through the Series 13 forecast and Department of Finance estimates for 2010.

Table B-29: Projected Housing Unit by Type (2010-2030)			
Housing Type	% of 2010 Total	% of 2020 Total	% of 2030 Total
Single-Family	74.6%	74.6%	73.6%
Multi-Family	22.4%	22.4%	23.5%
Mobile Homes	3.0%	3.0%	2.9%
Total Housing	100%	100%	100%
Note: The number of 2010 housing units estimated by the Department of Finance deviates from the 2010 Census slightly. However, the 2010 Census does not contain information on housing type.			

Table B-29: Projected Housing Unit by Type (2010-2030)			
Housing Type	% of 2010 Total	% of 2020 Total	% of 2030 Total
Source: California Department of Finance (2010) and SANDAG Regionwide Forecast (2030).			

## 5.4 Housing Availability and Tenure

Housing tenure and vacancy rates are important indicators of the supply and cost of housing. Housing tenure refers to whether a unit is owned or rented. Tenure is an important market characteristic because it is directly related to housing types and turnover rates. The tenure distribution of a community's housing stock can be an indicator of several aspects of the housing market, including the affordability of units, household stability and residential mobility among others. In most communities, tenure distribution generally correlates with household income, composition and age of the householder.

In 2010, 59 percent of the housing units in Encinitas were owner-occupied, while 35 percent were renter-occupied (**Table B-30**). This represents a decrease in the homeownership rate from 2000. As shown in the following **Table B-30**, owner-occupied households had a slightly higher average household size than renters. Approximately

69 percent of the rental units were occupied by one- and two-person households compared to 58 percent of owner households.

Please note that in some of these tables, 2010 estimates were utilized, which are consequentially higher than 2010 U.S. Census counts. The numbers presented in this section rely on Department of Finance estimates for 2010 (as the best planning data available).

Table B-30: Housing Unit Tenure (2000-2010)				
Tenure	2000		2010 DOF	
	Number	Percent	Number	Percent
Owner-Occupied	14,644	61.4%	15,187	59.0%
Renter -Occupied	8,190	34.3%	8,895	34.6%
Vacant	1,033	4.3%	1,658	6.4%
Total	23,867	100.0%	25,740	100.0%
Source: Bureau of the Census (2000 and 2010) and Department of Finance (DOF) 2018.				

Table B-31: Tenure by Household Size (2010)		
Tenure	% of Total Owner-Occupied Units	% of Total Renter-Occupied Units
1-Person	20.3%	36.3%
2-Person	38.0%	32.9%
3-Person	17.6%	14.7%
4-Person	16.6%	9.5%
5 or more Person	7.5%	6.6%

Table B-31: Tenure by Household Size (2010)		
Tenure	% of Total Owner-Occupied Units	% of Total Renter-Occupied Units
Total	100.0%	100.0%
Source: Bureau of the Census (2010).		

Persons per household in 2017, based on the 2010 Census as the benchmark, are estimated to be 2.52 persons per household according to the State Department of Finance.

Vacancy rates are an important housing indicator because they indicate the degree of choice available. High vacancy rates usually indicate low demand and/or high supply conditions in the housing market. Too high of a vacancy rate can be difficult for owners trying to sell or rent. Low vacancy rates usually indicate high demand and/or low supply conditions in the housing market. Too low of a vacancy rate can force prices up making it more difficult for low and moderate income households to find housing. Vacancy rates between two to three percent are usually considered healthy for single-family housing; and five to six percent for multi-family housing. However, vacancy rates are not the sole indicator of market conditions. They must be viewed in the context of all the characteristics of the local and regional market.

According to the 2010 Census, the overall vacancy rate in Encinitas was 6.0 percent (**Table B-32**). However, almost 40 percent of the vacant units were vacation homes that were seasonally occupied. Vacant rental units represented about 1.9 percent of all units in the City (or 5.3 percent of all rental units) and vacant ownership units represented about 0.6 percent of all units (or one percent of all ownership units). Overall, the vacancy rates reflected a relatively healthy housing market.

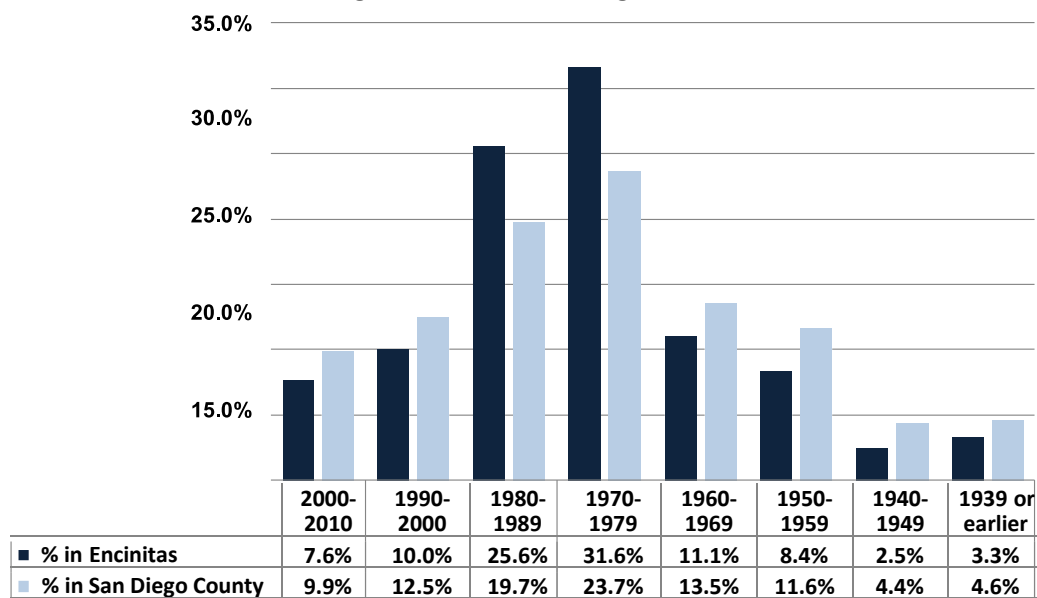
Table B-32: Vacancy Rates in Encinitas (2010)				
	Number	Percent of Total	Percent of Vacant	Number
Total Housing Units	24,877	100.0%	--	24,877
Total Occupied Units	23,295	93.6%	--	23,295
Total Vacant Units	1,582	6.0%	--	1,582
Vacant (Available)				
For Rent	498	1.9%	30.0%	498
For Sale	161	0.6%	9.7%	161
Vacant (Unavailable)				
Rented or Sold	77	0.3%	4.6%	77
Seasonal	661	2.6%	39.9%	661
Other	261	1.0%	15.7%	261
Source: Bureau of the Census (2010).				

According to the State Department of Finance, the 2018 vacancy rate was estimated to be 6.0 percent for all housing units in the City. The increase in vacancies may well represent additional vacation homes that are only seasonally occupied. There is no additional information available regarding vacancy rates.

## 5.5 Housing Age and Condition

Housing age can be an important indicator of housing condition within a community. Like any other tangible asset, housing is subject to gradual physical or technological deterioration over time. If not properly and regularly maintained, housing can deteriorate and discourage reinvestment, depress neighboring property values, and eventually impact the quality of life in a neighborhood. Many federal and state programs also use the age of housing as one factor in determining housing rehabilitation needs. Typically, housing over 30 years of age is more likely to have rehabilitation needs that may include new plumbing, roof repairs, foundation work and other repairs. In Encinitas, approximately 57 percent of the housing stock may potentially require some improvements based on the age of the structures, as shown in **Figure B-5**. Approximately 25 percent of the housing stock is approaching 50 years of age or older and are more likely to require major rehabilitation. Housing that is not maintained can discourage reinvestment, depress neighboring property values, and can negatively impact the quality of life in a neighborhood. Improving housing is an important goal of the City. The age of the City's housing stock indicates a potential need for continued code enforcement, property maintenance and housing rehabilitation programs to stem housing deterioration. Overall, however, given the moderate to higher incomes of residents, deferred maintenance is not a prevalent issue in the City. Property owners typically take pride in maintaining their homes and many have the financial means to do so.

**Figure B-5: Year Housing Built**



Source: California Department of Finance (2010).

### 5.5.1 Lacking Plumbing and Kitchen Facilities

A city can estimate the number of substandard housing units within its jurisdiction using a number of sources of information, such as data collected by the Census Bureau. The 2005-2009 ACS reports 61 units in Encinitas were lacking complete plumbing facilities and 160 units lacking complete kitchens.

### 5.5.2 Value of Housing

The value of housing is another potential indicator of housing stock condition. In 2018, the median housing value in Encinitas was \$1,008,500. Housing values are expected to continue the relative growth trend since 2011. Those units below \$50,000 in value can be assumed to have significant deterioration. According to Census 2000 data, 28 units, or 0.2 percent of the housing stock, were valued at less than \$50,000. It is unlikely that any homes are valued at less than \$50,000 today.

### 5.5.3 Pre-1940 Housing

The U.S. Department of Housing and Urban Development (HUD) may consider units substandard if they were built before 1940. **Figure B-5** shows that 835 units in Encinitas were built before 1940, approximately three percent of the total housing in the City. Regionwide, five percent of units were built before 1940 (see **Figure B-5**).

### 5.5.4 Substandard Housing

The City has a minimal number of units in need of repair or rehabilitation, especially given the high percentage of units that have been recently constructed. Based upon a combination of previous “windshield surveys”, observations and experiences of the code enforcement and planning staff, and indicators from other surveys, the City has estimated that approximately 50-100 units would fall into this category, although most, if not all, meet minimum housing and building code requirements.

## 5.6 Housing Costs and Affordability

Housing costs are indicative of housing accessibility to all economic segments of the community. Typically, if housing supply exceeds housing demand, housing costs will fall. If housing demand exceeds housing supply, housing costs will rise. In Encinitas, housing costs tend to be higher than in the San Diego region. The high cost of housing can be attributed to factors such as higher land costs and coastal location. This section summarizes the cost and affordability of the housing stock to Encinitas residents.

### 5.6.1 Homeownership Market

The median household value in 1990 was \$285,891. The median household value increased 124 percent to \$353,655 by 2000. The median value increased another 193 percent to \$683,000 from 2000 to 2010. The overall change from 1990 to 2010 was 239 percent. By the summer 2014, the median priced home in Encinitas was \$769,000, 24% higher than the North County Coastal median of \$619,000. In 2016, median home price in Encinitas was estimated at \$820,400, and in 2018 median home price is estimated at \$1,008,500.

### 5.7 Rental Market

The primary source for renter costs in the San Diego region is the San Diego County Apartment Association (SDCAA). SDCAA conducts two surveys of rental properties per year. In Fall 2017, surveys were sent out to rental property owners and managers throughout San Diego County.

Table B-33: Encinitas Average Monthly Rent (2017)						
Zip Code	Unit Type	Fall 2017 Units/Properties Surveyed	Fall 2017 Monthly Rent	Fall 2017 Rent/Sq. Foot	Spring 2017 Avg Rent	Fall 2016 Avg. Rent
Encinitas 92023, 92024	Studio	11/2	\$1414	\$4.32	\$0	\$1000
	1 BR	30/3	\$1734	\$3.83	\$1543	\$1579
	2 BR	26/3	\$2819	\$3.41	\$1454	\$1786
	3+ BR	0/0	\$0	\$0	\$0	\$2160
Source: San Diego County Apartment Association (2017)						

The table shows that in the fall of 2017 average monthly rents in Encinitas ranged from \$1,414 for a studio apartment to \$2,819 for a two-bedroom apartment; no three bedroom apartments were available for rent. Rents had increased dramatically from Fall 2016, increasing by 41 percent for studio apartments and by 58 percent for two-bedroom apartments.

## 5.8 Affordability by Income Level

Although California is expected to experience an expanding economy over the next several years, lower overall wages associated with the expanding service and information sectors of the economy portend an increasing affordability problem. Housing affordability can be inferred by comparing the cost of renting or owning a home in the City with the maximum affordable housing costs for households at different income levels. Taken together, this information can generally show who can afford what size and type of housing and indicate the type of households most likely to experience overcrowding and overpayment.

The federal Department of Housing and Urban Development (HUD) conducts annual household income surveys nationwide to determine a household's eligibility for federal housing assistance. Based on this survey, the California Department of Housing and Community Development (HCD) developed income limits that can be used to determine the maximum price that could be affordable to households in the upper range of their respective income category. Households in the lower end of each category can afford less by comparison than those at the upper end. The maximum affordable home and rental prices for residents in San Diego County, calculated as required by Health & Safety Code Sections 50052.5 and 50053, are shown in **Table B-34**.

**Table B-34** shows the maximum amount that a household can pay for housing each month without incurring a cost burden (overpayment). This amount can be compared to current housing asking prices and market rental rates to determine what types of housing opportunities a household can afford.

### Extremely Low income Households

Extremely low income households earn up to \$19,100 for a one-person household and up to \$29,450 for a five-person household in 2017. Extremely low income households cannot afford market-rate rental or ownership housing in Encinitas without assuming a cost burden.

### Very Low income Households

Very low income households earn up to \$31,850 for a one-person household and up to \$49,100 for a five-person household in 2017. A very low income household can generally afford homes offered at prices



between \$114,362 and \$176,487, adjusting for household size. Given the costs of ownership housing in Encinitas, very low income households would not be able to afford a home in the City. Similarly, very low income renters could not afford appropriately-sized market- rate rental units in Encinitas. Including utilities, a very low income household at the maximum income limit can afford to pay approximately \$694 to \$1,071 in monthly rent, depending on household size.

### Low income Households

Low income households earn up to \$50,950 for a one-person household and up to \$78,600 for a five-person household in 2017. The affordable home price for a low income household at the maximum income limit ranges from \$160,008 to \$247,015. Including utilities, maximum affordable rent for a one-person low income household is \$833 in rent per month and for a five-person low income household is \$1,285 per month.

### Moderate Income Households

Moderate income households earn between up to 120 percent of the County's Area Median Income – up to \$66,600 for a one-person household and \$102,750 for a five-person household in 2017. The maximum affordable home price for a moderate income household is \$293,769 for a one-person household and \$452,835 for a five-person family. Even moderate income households in Encinitas will have trouble purchasing adequately-sized homes. Including utilities, the maximum affordable rent payment for moderate income households is between \$1,526 and \$2,355 per month. Appropriately- sized studio and one-bedroom units are generally affordable to households in this income group, but two-bedroom and larger rental units are either not affordable or not available.

**Table B-34: Estimated Affordable Housing Cost (2017)\***

Household Size	Maximum Annual Income	Affordable Monthly Housing Costs	Maximum Affordable Sales Price
Extremely Low Income (30% of Area Median Income)			
1-Person	\$19,100	\$416	\$68,551
2-Person	\$21,800	\$476	\$78,438
3-Person	\$24,550	\$535	\$88,161
4-Person	\$27,250	\$595	\$98,048
5-Person	\$29,450	\$642	\$105,793
Very Low Income (50% of Area Median Income)			
1-Person	\$31,850	\$694	\$114,362
2-Person	\$36,400	\$793	\$130,676
3-Person	\$40,950	\$892	\$146,990
4-Person	\$45,450	\$991	\$163,304
5-Person	\$49,100	\$1071	\$176,487
Low Income (80% Area Median Income)			
1-Person	\$50,950	\$833 (rent) \$971 (own)	\$160,008
2-Person	\$58,200	\$952 (rent) \$1110 (own)	\$182,913
3-Person	\$65,550	\$1070 (rent) \$1249 (own)	\$205,819
4-Person	\$72,750	\$1190 (rent) \$1388 (own)	\$228,724

**Table B-34: Estimated Affordable Housing Cost (2017)\***

Household Size	Maximum Annual Income	Affordable Monthly Housing Costs	Maximum Affordable Sales Price
5-Person	\$78,600	\$1285 (rent) \$1499 (own)	\$247,015
Moderate Income (120% AMI)			
1-Person	\$66,600	\$1526 (rent) \$1781 (own)	\$293,769
2-Person	\$76,100	\$1745 (rent) \$2036 (own)	\$335,506
3-Person	\$85,650	\$1970 (rent) \$2289 (own)	\$377,197
4-Person	\$95,150	\$2181 (rent) \$2544 (own)	\$419,218
5-Person	\$102,750	\$2355 (own) \$2748 (own)	\$452,835
<p>*Source: Source: California Department of Housing and Community Development (2017) and Kimley-Horn and Associates Inc. Assumptions: 2017 HCD income limits; 10% down payment; and 5.5% interest rate for a 30-year fixed-rate mortgage loan. Utilities based on San Diego County Utility Allowance based on assumed unit size and number of occupants. All numbers are rounded to the nearest dollar. Maximum rent includes utility allowance. Maximum monthly costs determined as required by Health &amp; Safety Code Sections 50052.5 and 50053. Numbers are rounded estimates and not exact dollars.</p>			

## 6 Affordable Housing

State law requires that the City identify, analyze, and propose programs to preserve existing multi-family rental units that are eligible to convert to non-low-income housing uses due to termination of subsidy contract, mortgage prepayment, or expiring use restrictions during the next ten years. Thus, this at-risk housing analysis covers the period until December 31, 2028. Consistent with State law, this section identifies publicly assisted housing units in Encinitas, analyzes their potential to convert to market rate housing uses, and analyzes the cost to preserve or replace those units.

### 6.1 Publicly Assisted Housing

The City maintains programs to provide quality housing affordable to different income groups for a healthy and sustainable community. Local affordable housing funds have been used to assist in providing affordable housing. **Table B-35** lists those projects in Encinitas that are required to be evaluated in the Housing Element. No projects are at risk of conversion to market-rate housing within the next ten years. The Element, therefore, does not contain a detailed analysis of “at risk” units.

**Table B-35: Inventory of Assisted Rental Housing Projects (2018)**

Development Name	Address	Funding Source	Exp. Date	Type	Units
Esperanza Garden Apartments	920 Regal Rd	CDBG, Tax Credit	Dec, 2049	Family	10
Su Casa Apartments	620 Melba Rd	HUD 236	June, 2046	Family	28
Manchester Apartments	2074 Manchester Ave	CDBG	April, 2053	General	4
Cantebria Senior Homes	645 Via Cantebria	HUD 202, HOME	June, 2060	Senior	44

Table B-35: Inventory of Assisted Rental Housing Projects (2018)					
Development Name	Address	Funding Source	Exp. Date	Type	Units
Encinitas Ranch Apartments	1100 Garden View Rd.	HOME	Feb, 2058	General	22
Pacific Pines Condominiums	S. El Camino Real	CDBG/ HOME	Perpetuity	General	16
2nd Street Apartments	858 2nd St.	HOME	Jan, 2056	General	4
Boathouse Apartments	726-32 Third Street	City Funds	Perpetuity	General	4
Iris Apartments	639-643 Vulcan Ave	City funds, HOME, Tax-Credit	Perpetuity	General	20
Total					152
Source: City of Encinitas Planning Department (2018)					

## 6.2 Resources for Preserving Affordable Units

Available public and non-profit organizations with the capacity to preserve assisted housing developments include San Diego County, the City of Encinitas, and various non-profit developers, including Mercy Housing, North County Housing, Community Housing Works, and Habitat for Humanity. Financial resources available include bond financing, as well as CDBG and HOME funds, Section 8 rental assistance, and Affordable Housing Trust funds. However, no units are at risk until 2046.

## 6.3 Tenant Based Rental Assistance

The Housing Authority of the City of Encinitas has 136 Section 8 Housing Choice Vouchers allocated, although HUD funding only allows for approximately 101 to be leased given the local market conditions. Vouchers are closely split among disabled households, elderly households, and family households. As of this writing, there are currently 680 households on the City's Housing Choice Vouchers waiting list. Disabled households in Encinitas have the most need of those on the waiting list. Historically, an average of 6 households are admitted into the Section 8 voucher program each year.

Table B-36: Rental Assistance in Encinitas (2017)		
Household Type	Households Currently Receiving Section 8 Vouchers	Household on Waiting List for Section 8 Assistance
Family	26	29%
Elderly	50	30%
Disabled	25	41%
Other (Single Households)	--	0%
<b>Total</b>	<b>101</b>	<b>100%</b>
Source: City of Encinitas, 2018		

Other assistance programs include the HOME Investment Partnership Program. The County of San Diego administers the HOME Investment Partnership Program (HOME) within the County of San Diego Consortium, which includes cities with a population of less than 50,000, as well as the cities of Encinitas, Santee and Vista. City of Encinitas residents may receive assistance through the County of San Diego's

HOME programs. This includes TRBA programs (Emancipated Foster Youth TBRA and Family Reunification TBRA). The TBRA programs are developed to provide rental assistance to former foster youth between the ages of 18 and 24 and those that are attempting to reunify with their children while in substance abuse recovery.

## **6.4 Constraints to the Provision of Housing**

Actual or potential constraints to the provision of housing affect the development of new housing and the maintenance of existing units for all income levels. Governmental and non-governmental constraints in Encinitas are similar to those in other jurisdictions in the region and are discussed below. One of the most, if not the most, significant and difficult constraints to housing in Encinitas and elsewhere in the San Diego region is the high cost of land. This section describes various governmental, market, and environmental constraints on the development of housing that meets the needs of all economic segments of Encinitas population.

# **7 Non-Governmental Constraints**

Nongovernmental constraints significantly affect the cost of housing in Encinitas, and can pose barriers to housing production and affordability. These constraints include the availability and cost of land for residential development, the demand for housing, financing and lending, construction costs, and the availability of labor, which can make it expensive for developers to build any housing, and especially affordable housing. The following highlights the primary market factors that affect the production of housing in Encinitas.

## **7.1 Economic Factors**

Market forces on the economy and the trickle-down effects on the construction industry can act as a barrier to housing construction and especially to affordable housing construction. California's housing market peaked in the summer of 2005 when a dramatic increase in the State's housing supply was coupled with low interest rates. The period between 2006 and 2009, however, reflected a time of significant change as the lending market collapsed. Double-digit decreases in median sale prices were recorded throughout the State. These lower-than-normal home prices allowed for a large increase in the number of homes sold initially until the availability of credit became increasingly limited.

After the post-peak trough of 2011, building activity and sales for residential structures have been steadily increasing. Housing values in Encinitas were the lowest in midyear 2011. The number of homes in California that were bought and sold in the first half of 2013 was the highest since 2005. While housing affordability hovered near historic highs post-recession, housing has become increasingly unaffordable, with demand far outpacing supply and construction lagging far behind need.

It is estimated that housing price growth will continue in the city and the region for the foreseeable future. A January 2018 report by Zillow found that there were 20 percent fewer homes on the market in San Diego County than one year ago. Almost one-third of homes sold above the asking price. The underlying reason is a Countywide shortage of supply due to both governmental and nongovernmental factors. Production Countywide has fallen in recent years from 10,000 units per year to 7,000 units per year. SANDAG currently estimates that 21,000 units per year must be constructed to meet the demand for housing. The purpose of this Housing Element is to assist in increasing housing supply.

## 7.2 Land and Construction Costs

High land costs are a significant constraint to the development of affordable and middle-income housing in the City. Land cost represents a significant cost component in residential development. There are significant fluctuations in land costs per square foot. Coastal areas have the most significant costs, with recent land sales upwards of \$9 million per acre. Property located inland (east of I-5) exhibits significantly less cost per acre. Land cost in surveyed areas averaged approximately \$1 million per acre. Coastal property is highly desirable and a scarce commodity.

High land costs have a demonstrable effect on the cost of housing in Encinitas, as the price of housing is directly related to the costs of acquiring land.

Construction costs based upon Type VA construction (wood construction) for multiple family construction can range in cost from \$113 and \$124 per square foot, exclusive of land acquisition costs, but labor and materials account for only about 30% of total costs in San Diego County.

Availability of skilled labor has become a challenge to the development of housing in Encinitas. Many workers exited the industry during times of recession. Labor shortages in the construction industries are evident throughout California as evidenced by the Go Build California campaign, which seeks to reduce what it deems as a profound labor shortage in California and provides assistance to potential new workers. San Diego County builders have reported construction labor shortages as a barrier to home construction.

## 7.3 Availability of Financing

The availability of financing affects a person's ability to purchase or improve a home. Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to disclose information on the disposition of loan applications by the income, gender, and race of the applicants. This applies to all loan applications for home purchases, improvements and refinancing, whether financed at market rate or with government assistance. The data for Encinitas was compiled by census tract and aggregated to the area that generally approximates the City's boundaries.

**Table B-37** summarizes the disposition of loan applications submitted to financial institutions in 2016 for home purchase or refinance or loans in Encinitas. Included is information on loan applications that were approved and originated, approved but not accepted by the applicant, denied, withdrawn by the applicant, or incomplete.

Table B-37: Disposition of Home Loans (2016)			
Loan Type	Total Applicants	Percent Approved	Percent Denied
Government-Backed	110	63.6%	10.9%
Conventional	1,571	61.5%	10.3%
Refinance	4,229	63.5%	16.9%
<b>Total</b>	<b>5,910</b>	<b>62.9%</b>	<b>15%</b>
Source: Home Mortgage Disclosure Act (2017)			

### 7.3.1 Home Purchase Loans

In 2016, a total of 1571 Encinitas households applied for conventional loans to purchase homes. The overall loan approval and origination rate was 61.5 percent and only 10 percent of applications were

denied. Approximately 110 home purchase applications were submitted in Encinitas through government-backed loans (for example, FHA, VA) in 2016; 63.6 percent of these applications were approved and originated. To be eligible for such loans, residents must meet the established income standards, maximum home values, and other requirements. It appears that home purchase loans are generally available, and most applicants are eligible for the requested loans.

### **7.3.2 Refinance Loans**

The majority of loan applications submitted by Encinitas residents in 2016 were for refinancing their existing home loans (4,229 applications). 63.5 percent of these applications were approved, while 16.9 percent (about one sixth) were denied, indicating a higher rate of denial for refinancing. This could be due to either the applicants' inability to pay or to inadequate home equity; no data is available on the reasons for denial of applications.

### **7.3.3 Foreclosures**

Regionally, the number of foreclosures in 2017 has declined substantially from its peak in 2008, where 38,308 notices of default were issued in San Diego County. In 2017, a total of 3,494 Notices of Default (NODs) were recorded in San Diego County, a decrease from the 2008 peak. In December 2010, close to the peak of the foreclosure crisis, 189 homes in Encinitas were listed as foreclosures. These homes were listed at various stages of foreclosure (from pre-foreclosures to auctions) and ranged in price, with some properties listed as high as \$1.3 million, indicating the depth of the crisis. In January 2018, 31 homes were at some stage of foreclosure (default, auction or bank owned). That is an approximate 40% decrease since January 2017, and less than one-sixth of peak foreclosure activity. With the recent rapid increases in housing costs, owners threatened with foreclosure are likely to be able to avoid a foreclosure sale by selling their property.

## **7.4 Requests to Develop at Densities Below Those Permitted.**

The City of Encinitas receives request for various development types throughout the community. For residential uses, the City views single-family development differently than multiple family development. For single-Family development, it is typically built on one housing unit per lot and most lots are of a size that is conducive to one unit per lot.

For single-family subdivisions, the majority of new development applicants over the past few years have developed at maximum density with a state density bonus. This has resulted in average densities above that permitted in the zoning code for new multiple-family and subdivision development.

While development could be proposed at lower densities than the maximum permitted on a parcel, it would be very unusual for this to occur due to the cost of land and overall cost to build in the community. The City does not see this as a constraint to development at this time.

## **7.5 Length of Time between Application Approval and Building Permit Issuance.**

The time between application approval and building permit issuance in most cases is determined by the individual applicant. There is nothing to stop an immediate transition from application approval to permit processing. However, applicants must complete a number of actions which do not involve the City but

that may influence the length of time between an approved application and the issuance of a building permit. These include:

- Technical/Engineering Studies
- Completion of Construction Drawings
- Construction-Level Landscaping/Site Design
- Construction and Permanent Financing
- Retention of Contractor and Subcontractors
- Obtaining required easements and rights of entry

In Encinitas, most approved projects are constructed in a reasonable time period. As of December 31, 2017 only 41 units approved over one year ago had not yet been constructed. Few project approvals had expired.

Because no development project will be the same and development pro formas will differ considerably based upon locational and other site factors, it will be instructive to proactively outreach to developers and investors in the community who have received approvals but not constructed their projects in a reasonable time period. Program 3F proposes to contact applicants to identify nongovernmental constraints preventing construction.

## **7.6 Community Opposition to Housing Development**

Community members may oppose specific housing developments for various reasons: incompatibility with the established community; poor design quality; lack of adequate infrastructure, especially related to traffic and transportation; overcrowded schools. Residents may have located in a community and invested their life savings based in part on the community's established development standards, and proposals to change the community may be contrary to their reasonable expectations of the community's character. Litigation filed by residents, especially under the California Environmental Quality Act, may significantly delay and increase the cost of housing developments.

While in many communities this has resulted in reduced densities and project denials, this has not been the case in Encinitas. As discussed in Section 7.4 above, most housing developments use state density bonus provisions and develop above the zoning standard.

There has been expressed community concern regarding the upzoning required by state housing element law. Residents have generally stated their desire to meet state requirements in the way most compatible with the City's existing character. The proposed Measure T Housing Element did not gain community support and was defeated. As described in detail in Appendix A, the City has taken numerous steps since its defeat to achieve public support for this Housing Element.

## **7.7 Local Efforts to Remove Nongovernmental Constraints.**

Nongovernmental constraints are defined as constraints on housing development that are not under the control of the City or another governmental agency. Nongovernmental constraints are generally market-driven and outside the control of local government.



During the course of this Housing Element update, a number of comments from the development community and private citizens addressed potential nongovernmental constraints. In particular, the cost of land in Encinitas has outpaced that in adjacent jurisdictions. The limited availability of land also influences the premium for land in Encinitas.

According to local developers and entities doing business in Encinitas and coastal San Diego County, there are two major components that directly relate to the feasibility of development. Those are time and uncertainty. The faster a project applicant can process a project, the lower the holding costs. Therefore, reducing the approval timeline can be a significant contributor to accessing capital and reducing investor risk. Secondly, reducing the uncertainty of development approval can influence access to capital and the risk profile for investors. To summarize, local actions to reduce the timeline for project approval and to increase the level of certainty in entitlement decisions have been identified as methods to influence nongovernmental behavior and contribute to housing development.

The City has included several programs in the Housing Element that may assist in removing nongovernmental constraints. Rezoning of land as proposed by Program 1B will increase the land supply. Program 3E proposes to improve the efficiency of the development review process, and Program 3F is specifically focused on identifying nongovernmental constraints outside the control of government. The City will contact applicants so that potential Encinitas-specific nongovernmental constraints may be identified along with specific actions that may help to mitigate these governmental constraints. Program 3G proposes additional steps to create public support for housing.

## **8 Governmental Constraints**

Aside from market factors, housing affordability is also affected by factors in the public sector. Local policies and regulations can impact the price and availability of housing and, in particular, the provision of affordable housing. Land use controls, site improvement requirements, fees and exactions, permit processing procedures, among other issues may constrain the maintenance, development and improvement of housing. This section discusses potential governmental constraints in Encinitas and efforts to address them.

### **8.1 Land Use Controls**

The Land Use Element sets forth City policies for guiding local land use development. These policies, together with existing zoning regulations, establish the amount and distribution of land allocated for different uses.

#### **8.1.1 Local Coastal Program**

Approximately two-thirds of the City is comprised within the City of Encinitas Local Coastal Program (LCP). Under this program, which is required to be approved by the Coastal Commission, a coastal development permit is required for all development within the City's Coastal Zone, with the exception of the following:

- Improvements to an existing structure or a public works facility
- Repair and maintenance activities to existing structures or facilities that do not result in an addition to, or enlargement or expansion of, the structures or facilities



- The installation, testing, and placement in service or the replacement of any necessary utility connection between an existing service facility and any development which has been approved under the California Coastal Act
- The replacement of any structure other than a public works facility destroyed by a disaster
- Temporary uses or events
- Signs which are exempted from provisions of the Municipal Code

The reviewing authority for the coastal development permit varies depending on the type of application submitted. Furthermore, specific findings required for decisions on coastal development permits can include:

- Project effects on demand for access and recreation
- Shoreline processes
- Historic public use
- Physical obstructions
- Other adverse impacts on access and recreation

The City's decision on a coastal development permit may be appealed to the Coastal Commission. This could occur for any development project and may pose a constraint to development if the Coastal Commission denies a project that includes housing development or if the project is significantly delayed. Most housing development appealed to the Coastal Commission are single-family dwelling units located on coastal bluffs.

### **8.1.2 Coastal Bluff Overlay Zone**

The Coastal Bluff Overlay Zone regulations apply to all areas of the City where there is the presence of a coastal bluff. In addition to development and design regulations which otherwise apply, the following development standards apply to properties within the Coastal Bluff Overlay Zone to protect public health and safety given coastal bluff recession, shoreline erosion, and sea level rise:

- No principal structure, accessory structure, facility or improvement shall be constructed, placed or installed within 40 feet of the top edge of the coastal bluff.
- No structure, facility, improvement or activity shall be allowed on the face or at the base of a coastal bluff.
- No grading or scraping shall be allowed on a bluff face, nor shall naturally occurring drought-tolerant vegetation be voluntarily removed from the bluff face.
- Existing legal structures and facilities within 40 ft. of a bluff edge or on the face of a bluff may remain unchanged.
- All drainage and run-off on the property shall be collected and delivered to approved drainage facilities.

- Landscaping on beach bluff properties shall avoid the use of ice plant, and emphasize native and drought-tolerant plants in order to minimize irrigation requirements and reduce potential slide hazards due to over-watering.
- Buildings and other structures shall be sited, designed and constructed so as not to obstruct views to and along the ocean and other scenic coastal areas from public vantage points.
- The design and exterior appearance of buildings and other structures visible from public vantage points shall be compatible with the scale and character of the surrounding development and protective of the natural scenic qualities of the bluffs.

The City intends develop a comprehensive plan, based on technical reports and studies addressing sea level rise and its impact on shoreline management practices, to address the coastal bluff recession and shoreline erosion problems in the City.

### **8.1.3 Hillside/Inland Bluff Overlay Zone**

The Hillside/Inland Bluff Overlay Zone regulations apply to all areas within the Special Study Overlay Zone where site-specific analysis indicates that 10 percent or more of the area of a parcel of land exceeds 25 percent slope. The Planning Commission is the authorized agency for reviewing and granting discretionary approvals for proposed development within the Hillside/Inland Bluff Overlay Zone. Where development is proposed on slopes of greater than 25 percent grade, the following additional standards apply:

- Slopes of greater than 25 percent grade shall be preserved in their natural state.
- A geological reconnaissance report must be submitted.
- Where unstable conditions are indicated, a preliminary engineering geology report is also required.
- No principal structure or improvement or portion thereof shall be placed or erected, and no grading shall be undertaken, within 25 feet of any point along an inland bluff edge.
- All slopes over 25 percent grade which remain undisturbed or which are restored or enhanced as a result of a development approval, shall be conserved as a condition of that approval through a deed restriction, open space easement, or other suitable device that will preclude any future development or grading of such slopes.

The City has accounted for deductions due to steep slopes pursuant to objective standards contained in the Municipal Code in determining site capacity, and the Overlay Zone has not prevented the City from providing adequate sites.

### **8.1.4 Floodplain Overlay Zone**

The Floodplain Overlay Zone regulations apply to all areas within the Special Study Overlay Zone where site-specific analysis of the land indicates the presence of a flood channel, floodplain, or wetland. The zone also applies to all areas identified as flood channels and floodplains on maps published by the Federal Emergency Management Agency or current City and County maps designating the floodway/floodplain areas. Any development within this zone is required to incorporate a series of improvements or

modifications in order to ensure the ability of structures to withstand periodic flooding. The additional standards are also in place to guarantee the preservation of sensitive habitat areas.

The City has accounted for deductions due to sensitive habitat areas in determining site capacity, and this Overlay Zone has not prevented the City from providing adequate sites.

#### **8.1.5 Agricultural Overlay Zone**

The Agricultural Overlay (AGO) Zone regulations apply to all properties presently under a Williamson Act contract. No development other than that associated with the agricultural operation subject to the Williamson Act contract may occur within the AGO Zone. Any development that occurs within this zone shall conform to the setback and height requirements of the Rural Residential Zone. Furthermore, an open or landscaped buffer of at least 75 feet shall be provided along the boundary between all property subject to the AGO zone and properties not subject to the AGO zone.

Neither of the agricultural sites designated for upzoning is under a Williamson Act contract.

#### **8.1.6 Scenic/Visual Corridor Overlay Zone**

The Scenic/Visual Corridor Overlay Zone regulations apply to all properties within the Scenic View Corridor along Scenic Highways and adjacent to Significant Viewsheds and Vista Points as described in the Visual Resource Sensitivity Map of the Resource Management Element of the General Plan. When development is proposed on any properties triggering design review within the Scenic View Corridor Overlay Zone, consideration is given to the overall visual impact of the proposed and to the preservation of scenic corridor viewsheds. While some of the proposed lower income sites are included within this overlay zone, in the City's experience consideration of these factors does not reduce the density or preclude the development of properties within these identified areas.

#### **8.1.7 Planned Residential Development (PRD)**

Planned Residential Development (PRD) regulations are intended to facilitate development of areas zoned for residential use by permitting greater flexibility and, consequently, more creative and imaginative designs for the development of such residential areas than is generally possible under conventional zoning and subdivision regulations

These regulations are further intended to promote more economical and efficient use of land while providing a harmonious variety of housing choices, a higher level of residential amenities, and preservation of natural resources and open space. Affordable housing opportunities are encouraged through the application of PRD.

#### **8.1.8 Inclusionary Housing**

Given the high cost of land in Encinitas, inclusionary housing policy has been one of the most effective approaches in achieving actual construction of affordable housing in the community. The City's inclusionary housing program requires housing developers of 10 or more dwelling units to reserve ten percent of the units for low or very low income households, or to pay an in-lieu fee if approved by the City Council. Most developers have provided the on-site units. As of December 31, 2017 the ordinance had created 146 very low and low income units.

The City is currently exploring the inclusionary policy options to amend current code requirements. On March 7, 2018, a joint working session with the City Council and Planning Commission began discussions with a panel of experts (for-profit and non-profit developers and city officials) to discuss updates to the City's inclusionary housing ordinance. They indicated that the City could increase its inclusionary percentage if it also provided more flexibility to developers. The City is currently considering updates to the ordinance that are consistent with the panel's recommendations and may extend the ordinance to rental projects, as permitted by AB 1505, enacted in 2017.

In a high-cost region such as San Diego, the inclusionary "costs" would likely be absorbed as part of market pricing mechanisms. The impact would be to somewhat diminish the profit margin on a highly profitable enterprise without much impact on the overall cost. As the City's inclusionary housing policy has a long-standing history, developers are familiar with the program and factor any associated costs in their feasibility analysis; many concurrently apply for a density bonus, which the City permits for inclusionary units that also meet the requirements of State density bonus law. The ordinance provides flexibility by including provisions for a waiver and allowing alternatives to on-site construction. For instance, the City approved a development to meet the inclusionary housing requirements through offsite construction and unit size reduction.

The Housing Element includes a program to continue and broaden inclusionary housing policies by updating the ordinance to allow additional options to provision of on-site units, more effectively meet the City's housing goals, and extend the ordinance to rental projects.

#### 8.1.9 State Density Bonus Law

State Density Bonus Law (SDBL), in Government Code Section 65915, is a voluntary program for developers that requires cities and counties to provide a density bonus and certain other regulatory incentives "when an applicant for a housing development seeks and agrees to construct a housing development" that provides for a certain amount of affordable housing (GC 65915(b)(1). Under State law, a development of five or more units is eligible to receive a density bonus if it meets at least one of the following:

- *Very low income units:* Five percent of the total units of the housing development as target units affordable to very low-income households; or
- *Low Income Units:* Ten percent of the total units of the housing development as target units affordable to low-income households; or
- *Moderate Income Units:* Ten percent of the total units of a newly constructed condominium project or planned development as target units affordable to moderate-income households, provided all the units are offered for purchase; or
- *Senior Units:* A senior citizen housing development of 35 units or more.

Density bonuses and development incentives are based on a sliding scale, where the amount of density bonus and number of incentives provided vary according to the amount of affordable housing units provided.

The City provides a density bonus for inclusionary units when they also meet the requirements of State density bonus law.

As of December 31, 2017, the City had approved 27 density bonus projects that included 49 affordable units. Only two projects with two affordable units did not proceed to construction. In the ten-year period between 2003 and 2013, 68 percent of all units were approved under density bonus subdivisions. Furthermore, in all cases, the number of density bonus units was at least equal to or exceeded the number of inclusionary affordable units required for the project. Therefore, the City's inclusionary housing policy does not serve to constrain housing development.

The City's density bonus ordinance has been amended to be consistent with the amendments to state density bonus law adopted in 2016. When future amendments are adopted, the City will adopt conforming amendments, if needed, within one year.

Table B-38: Approved Density Bonus Projects (2003-2017)							
Case #	Total Units	Affordable Units	Income Restriction	Unit Type	Time Restriction	Address	Notes
06-111	9	1	50%	Single-Family	30 Years	817 Sandy Court	Built-renting
05-169	9	1	50%	Single-Family	30 Years	206 Alexander Court	Built -Renting
06-005	18	1	50%	Single-Family	30 Years	1007 Scarlet Way	Built - Sold
06-107	12	1	50%	Single-Family	30 Years	2323 Edinburg Avenue	Approved but Application withdrawn
06-112	14	1	50%	Single-Family	30 Years	813 Dolphin Lane	Built - Renting
08-066	9	1	50%	Single-Family	30 Years	661 Quinten Court	Built - Rented
10-028	12	1	50%	Single-Family	30 Years	1257 Canton Court	Built - Rented
03-090	69	2	60%	Single-Family	30 Years	Coral Cove Way	Built - Sold
		5	60-80%	Multi-Family	Perpetuity	Coral Cove Way	Built
03-009	9	1	50%	Multi-Family	Perpetuity	Paxton Way	Built
11-115/ 09-089	72	6	50%	Multi-Family	Perpetuity	Channel Island Way	Built
04-066	9	1	50%	Multi-Family	Perpetuity	Sheridan Rd./Stewart Way	Built
02-233	20	2	50%	Multi-Family	Perpetuity	639-643 N. Vulcan Avenue	Built
04-021	10	1	50%	Single-Family	30 Years	634 Quail Gardens Ln	Project unlikely to proceed
05-072	10	1	80%	Single-Family	30 Years	685 Calyspo Court	Built - Rented
09-135	19	1	50%	Single-Family	30 Years	1507 Halia Court	Built - Rented
09-200	16	1	50%	Single-Family	55 Years	1335 Desert Rose	Approved

**Table B-38: Approved Density Bonus Projects (2003-2017)**

Case #	Total Units	Affordable Units	Income Restriction	Unit Type	Time Restriction	Address	Notes
11-063	11	1	50%	Single-Family	30 Years	1085 Primrose	Built - renting
11-189	28	2	50%	Single-Family	30 Years	1140/1144 Urania Ave	Built - renting
98-295	120	10	50%	Multi-Family	55 Years	1100 Garden View	Built - rented
04-040	9	1	50%	Single-Family	30 Years	1165 Kava Court	Built - rented
13-187	9	1	50%	Single-Family	55 Years	378 Fulvia St	Under Construction
15-064	13	1	50%	Single-Family	55 Years	710 & 712 Clark Avenue	Under Construction
14-111	8	1	50%	Single-Family	55 Years	1412 Mackinnon Avenue	Under Construction
15-008	14	1	50%	Single-Family	55 Years	560 Requeza St	Under Construction
13-267	9	1	50%	Single-Family	55 Years	720 Balour Drive	Under Construction
16-211	13	1	50%	Single-Family	55 Years	710 & 714 Requeza St	Under Construction

Source: City of Encinitas, 2018

### 8.1.10 Growth Management Measures

The City's General Plan, adopted in March 1989, includes an annual residential building limitation along with growth management policies and guidelines. The building limitation is based on the un-built development potential of the City at mid- range density divided by the remaining years of the 25 years build-out period (January 1989 to January 2014). Low- and moderate-income units are exempted from the allocation system, as are single family dwellings on lots established prior to adoption of the City's General Plan.

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 measure has had no effect on limiting growth in Encinitas. There has not been a single year in which the number of building permit applications has exceeded the number of available permits. This is due primarily to two factors: low housing production and the cumulative effect of carrying over unallocated permits from year to year. The City stopped accounting for the permit cap shortly after this discovery was made. By 1999, the last year the City calculated permit caps, there were more than 1,200 permits available, more than triple the highest number of new dwelling permits issued in any year since the growth management plan was established. Given the large surplus of available permits, the growth management plan has not posed a constraint on housing production, nor impeded the City's ability to accommodate its share of the regional housing need. Program 3D of this Housing Element calls for rescinding obsolete growth management policies.

### 8.1.11 Proposition A – Voter’s Right Initiative

Proposition A was adopted by voters in June 2013 and requires voter approval of land use changes. Proposition A requires an affirmative vote of the people when publicly or privately initiated changes are proposed to increase the currently allowed intensity or density of development (such as increasing the allowed number of residential units or permitting residences in commercial zones). A vote is also required to convert residentially zoned properties to commercial or mixed use. Not only does Proposition A affect how amendments to planning policy documents are made, but the ballot measure modified building height standards in the City. Proposition A restricts the height of any structure to the lower of two stories or 30 feet, citywide. In cases where the existing codes specify a different maximum height standard, the more restrictive standard applies.

Thus, voter approval is required for amendments that would increase residential densities. On the other hand the voter requirement also creates additional challenges to convert residentially zoned properties to nonresidential, thereby deterring the potential loss of residential land to commercial, office, or industrial uses.

Each of the City’s land use designations specifies a density range that includes the identification of how a property owner(s) can build or redevelop their land. Based on recent analysis and conversations with local real estate developers, real estate agents, and property owners; Proposition A has effectively reduced the holding capacity on some of the sites that formerly allowed three-story construction. This results in a decreased capacity in the DCM-1, DCM-2, and D-VCM Zones of the Downtown Encinitas Specific Plan, as well as the N-CM1, N-CM2, NCM-3, and N-CRM1 zones of the North 101 Corridor Specific Plan. On an unconstrained acre, it is estimated that the following averages could be developed under a two-story envelope:

- 19-24 units total for standalone residential (21.5 average)

15 units average when units are above ground floor retail. Since this zoning will not satisfy the State’s default density standard of 30 units per acre unless this constraint is removed, sites in the DCM-1 Zone have been assigned to the moderate-income category as viable housing production opportunities at 15 units per acre. Consequently, Proposition A significantly reduced the net residential holding capacity of sites that formerly would have been suitable for lower income housing.

In November 2016, as required by Proposition A, the City placed a proposed Housing Element and related General Plan amendments and re-zonings on the ballot as Measure T. Measure T was not approved by the voters, and Proposition A did act as a constraint on the City’s ability to comply with state housing element law. However, in any community where there is substantial opposition to an adopted housing element, residents may act to prevent its adoption through litigation, especially under the California Environmental Quality Act, or by collecting enough signatures to place a referendum on the ballot.

As part of its adoption of this Housing Element, the City intends to submit to the voters in November 2018 a ballot measure that approves this Housing Element, as well as any General Plan, specific plan, and zoning amendments that may be necessary to permit the necessary densities. If this measure is adopted by the voters, Proposition A will not present a constraint to housing development in the City during the remainder of the 2013 – 2021 planning period. The City will be able to demonstrate adequate capacity to accommodate the City’s full fair share of RHNA. To minimize any future constraints created by Proposition



A, Program 3C in the Housing Element requires the City to continue to review its available sites and to begin developing the sixth cycle Housing Element as soon as RHNA allocations are made in early 2019, well in advance of the next Housing Element due date (April 30, 2021) to ensure that future housing elements can achieve community support and be consistent with State law, while still complying with Proposition A.

The applicability of Proposition A to the Housing Element and related General Plan and zoning approvals is the subject of litigation in San Diego County Superior Court. The City will comply with any final judgment related to a vote on this Housing Element and implementing actions.

Please note that Proposition A did not impact the inventory of lands available in previous planning periods or the City's AB 1233 "carryover" analysis. The sites identified in the inventory were available at full capacity throughout the 2005-2013 planning period, which ended on April 30, 2013 before Proposition A was adopted in June 2013.

#### **Consistency with State Density Bonus Law**

Proposition A does not interfere with the rights of a developer to obtain density bonuses, parking reductions, concessions, or waivers of development standards, including height regulations, under state density bonus law. As stated in the statute, none of these incentives require a general plan or zoning amendment that would trigger the need for a vote under Proposition A.

#### **8.1.12 Specific Plans**

The City of Encinitas has adopted the following specific plans, which offer a range of housing types, densities, and/or mix of uses:

- Downtown Encinitas Specific Plan (Adopted February 9, 1994)
- Encinitas Ranch Specific Plan (Adopted September 28, 1994)
- North 101 Corridor Specific Plan (Adopted May 21, 1997)
- Cardiff-by-the-Sea Specific Plan (Adopted July 21, 2010)
- Home Depot Specific Plan (Adopted September 8, 1993)

The City anticipates that new residential growth will occur in these Specific Plan areas, especially as mixed-use developments. **Table B-39** summarizes the zones where mixed-use developments are permitted. The densities permitted in these areas are suitable for moderate-income housing. The adopted specific plans help encourage housing development, which may be exempt from review under the California Environmental Quality Act, either under Government Code Section 65457 (residential development consistent with a specific plan) or Public Resources Code Section 21155.4 (mixed use project consistent with a specific plan in a transit-priority area).

#### **8.1.13 Downtown Encinitas Specific Plan**

The Downtown Encinitas planning area consists of approximately 198.6 acres located within the community of Old Encinitas. The area is bounded by the Pacific Ocean to the west, B Street on the north, Cornish Drive on the east, and K Street on the south. The purpose of this Specific Plan was to treat the



unique aspects, problems, and opportunities of the Downtown Encinitas area, and maintain its identity, community character, and scale, while fostering rehabilitation and successful economic restructuring.

The Specific Plan outlines housing strategies for increasing housing potential in the following areas:

**First Street Mixed-use:** The mixed-use zone for First Street (D-CM-1) allows residential units above or to the rear of primary commercial uses. Standalone residential is not permitted in this sub-district and residential units are not allowed to exceed 50 percent of the gross floor area of any site. Individual dwellings are required to be a minimum of 350 square feet in floor area. There is no residential density specified. Based on development standards and recent development projects when heights of three stories were allowed, the equivalent of up to 34 dwelling units per acre was constructed, taking into account the commercial portion of a site's development.

**Second Street Mixed-use:** The mixed-use zone for Second Street (D-CM-2) allows for residential mixed with commercial on a site as well as a limited amount of stand-alone residential. This is allowed to a maximum of 25 dwellings per acre and for no more than 25 percent of the lots (by lot area) along the street.

**Cozen's Site:** This sub-district (D-VCM) is another mixed-use zone. This zone is similar to the First Street zone in terms of residential use allowance, with no specified residential density but an overall limit by floor area on residential construction. Residential units in this subdistrict will be attached multi-family.

**D-OM Zone:** The D-OM Zone is another mixed-use zone, which applies to the east side of Third Street between E and F Streets, and is designed to allow office, residential, or mixed office/residential use. Stand-alone residential is limited to 15 dwellings per acre, to match the surrounding zoning allowance on Third Street. Mixed residential also is limited to 15 dwelling units per acre, and there is no proportional limit to the residential share.

**Residential East Subdistrict:** This zone does not permit attached apartments of three or more units but allows duplex units on all lots of at least 5,000 square feet. The broadened duplex allowance increases the expected residential build-out potential of this neighborhood and allows for the transition of this neighborhood from original single-family to predominantly multifamily use.

**Residential West Subdistrict:** With a few exceptions, most notably the Pacific View School site, the Residential West subdistrict is zoned D-R15 and D-R25, allowing up to 15 and 25 dwellings per acre respectively. For the most part these zones carry over the citywide R-15 and R-25 zoning provisions, allowing attached multi-family development.

Stand-alone residential development is required to meet citywide parking standards. Units in mixed-use development, however, are subject to a somewhat simplified parking standard, with no more than two off-street parking spaces required for any dwelling. The Specific Plan also offers a voluntary incentive for mixed-use units which are guaranteed to be affordable to low or very low income households. Affordable units are allowed a reduced, one- space per unit parking requirement.

### 8.1.14 Encinitas Ranch Specific Plan

The Encinitas Ranch Specific Plan is designed to allow agricultural uses to continue operating as a viable business, while permitting a mix of residential, commercial, mixed-use, recreation, and open space uses

to develop on the remaining portions of the project site. The Encinitas Ranch Specific Plan provides residential, commercial, and mixed-use development, in addition to a substantial amount of natural open space, recreational area, and agricultural uses on a total of 852.8 acres, which includes the 29.8 acre Magdalena Ecke Park.

The most intense development within Encinitas Ranch occurs in the Green Valley Planning Area, adjacent to El Camino Real. This area include a 73.8-acre Regional Commercial Center (straddling Leucadia Boulevard) and approximately 24.8 acres of multi-family housing types including townhomes, condominiums and apartments in close proximity to the planned commercial and office uses. Residential densities up to 25 dwelling units per acre are permitted for free-standing residential structures.

Besides the mixed-use development in Green Valley, the West Saxony Planning Area is developed with a mix of traditional residential and office uses. The Encinitas Ranch project also includes single family residential development. Single family dwelling units have been constructed in the Quail Hollow East, North Mesa, South Mesa and Sidonia East Planning Areas.

#### **8.1.15 North 101 Corridor Specific Plan**

The North 101 Corridor planning area consists of approximately 231 acres located within the communities of Leucadia and Old Encinitas. The specific plan allocates 83.1 acres of residential-only zoning which includes 10.4 acres of Residential 3 (N-R3), 28.4 acres of Residential 8 (N-R8), 1.4 acres of Residential 11(N-R1), 4.9 acres of Residential 15 (N-R15), 15.8 acres of Residential 20 (N-R20), 10.6 acres of Residential 25 (N-R25), and 11.6 acres of Mobile Home Park (NMHP).

The specific plan has also expanded previous commercial zoning in the North Highway 101 Corridor Specific Plan area to allow residential use. There are five distinct commercial mixed-use zoning classifications in the Plan area. The N-CM- 1, N-CM-2 and N-CM-3 zones provide for stand-alone commercial or commercial and residential uses at a maximum density of 25.0 dwelling units per net acre on the same property or in the same structure, with the intent of providing opportunities for housing and live/work or artisan loft arrangements. The N-CRM-1 zone provides for a variety of development opportunities including: 1) stand-alone commercial; 2) stand-alone residential at a maximum density of 25 dwelling units per net acre; and 3) mixed-use at a maximum density of 25 dwelling units per net acre. The N-CRM-2 zone provides for the same development opportunities as the N-CRM-1 zone except that the maximum density is set at 15 dwelling units per net acre.

#### **8.1.16 Cardiff-by-the-Sea Specific Plan**

The Cardiff-by-the-Sea Specific Plan focuses on a small but highly visible and highly valued portion of the Cardiff community. Generally considered the “business district” or sometimes “Downtown Cardiff,” the area is principally a mix of low rise retail, office, institutional, and residential uses. Boundaries of the Cardiff-by-the-Sea Specific Plan are irregular but generally include properties between the west side of San Elijo Avenue and the west side of the alley between Newcastle Avenue and Manchester Avenue; and from the south side of Mozart Avenue to the north side of Orinda Drive.

Within the Cardiff-by-the-Sea Specific Plan area are four separate Planning Areas, two of which allow residential uses of up to 11 dwelling units per acre. Planning Area 1 is roughly bound by Mozart Avenue on the north, Montgomery Avenue on the east, Birmingham Drive on the south, and San Elijo Avenue on the west. Single- and multi-family housing, professional and administrative offices, and restaurants define

this Planning Area. This Planning Area functions as a transition between the residential area to the south and the commercial area to the north. More than half the area is developed residentially.

### 8.1.17 Home Depot Specific Plan

The Home Depot Specific Plan area encompasses a total of approximately 55.5 acres in the north central part of the City of Encinitas. The Specific Plan has been subdivided into four planning areas, one of which allows residential uses of up to 5 dwelling units per acre. The Encinitas General Plan allows for a maximum density of 5 dwelling units per acre and a midrange density of 4 dwelling units per acre in Planning Area 2. Planning Area 2 includes 17 single-family detached homes on approximately 6.5 acres (net) at a net density of 2.6 dwelling units per acre.

Table B-39: Land with Mixed-use Potential			
General Plan Code	Description	Mixed-use Type	Density Allowed (Du/Ac)
D-CM-1	Mixed-use	Mixed-use: Commercial with Residential	Approximately 34 du/acre (realistic limit of 15 du/acre with two stories); limited to 50% of site's building floor area; floor area bonus for affordable housing.
D-CM-2	Mixed-use	Commercial with Residential (free-standing (single family or multi-family) or mixed-use)	25 du/ac; free-standing limited to 25% of the zone district's total lot acreage; mixed-use is limited to 50% of site's building floor area; floor area bonus for affordable housing.
D-VCM	Mixed-use	Mixed-use: Visitor-serving commercial -with multi-family residential	18 du/ac and limited to 30% of the ground floor area and 50% of the site's building floor area.
D-OM	Mixed-use	Commercial with Residential (free-standing single family (detached or attached) (Duplex; Senior. or mixed-use)	15 du/ac; mixed-use limited to 50% of the ground floor area.
N-CM-1	Mixed-use	Mixed-use: Commercial with Residential	25 du/ac and limited to 50% of the site's building floor area.
N-CM-2	Mixed-use	Mixed-use: Commercial with Residential	25 du/ac and limited to 50% of the site's building floor area
N-CM-3	Mixed-use	Mixed-use: Commercial with Residential	25 du/ac and limited to 50% of the site's building floor area
N-CRM-1	Mixed-use	Commercial with Residential (free-standing single family (detached or attached) or mixed-use)	25 du/ac; mixed-use limited to 50% of the site's building floor area
N-CRM-2	Mixed-use	Commercial with Residential (free-standing single family (detached or attached) or mixed-use)	15 du/ac; mixed-use limited to 50% of the site's building floor area
ER-MU-1	Mixed-use	Mixed-use: Commercial with Residential	25 du/ac
ER-MU-2	Mixed-use	Mixed-use: Commercial with Residential	20 du/ac

## 8.2 Residential Development Standards

Citywide, outside the specific plan areas, the City regulates the type, location, density, and scale of residential development primarily through the Zoning Code. The following summarizes the City's existing residential zoning districts. New zones created to implement the adequate lands inventory to accommodate the RHNA share of lower income households will be discussed separately.

- *Rural Residential (RR) – 0.125 to 0.5 du/acre:* Rural Residential is intended to provide for very low density single-family detached residential units on larger lots ranging in size from two to eight net acres with maximum densities of 0.5 to 0.125 units per net acre for compatibility with the more rural areas of the City. Parcels located in flood plain areas are designated 0.125 units per acre (8 net acre lots). One primary dwelling is permitted on each legal lot.
- *Rural Residential 1 (RR-1) – 1.0 du/acre:* Rural Residential 1 is intended to provide for low density single-family detached residential units with minimum lot sizes of one net acre and maximum densities of 1.0 unit per net acre for rural area compatibility. One primary dwelling is permitted on each legal lot.
- *Rural Residential 2 (RR-2) – 2.0 du/acre:* Rural Residential 2 is intended to provide for low density single-family detached residential units with minimum lot sizes of 21,500 net square feet and maximum densities of 2.0 units per net acre, as a transition from the rural to the more suburban areas within the City. One primary dwelling is permitted on each legal lot.
- *Residential 3 (R-3) – 3.0 du/acre:* Residential 3 is intended to provide for single-family detached residential units with minimum lot sizes of 14,500 net square feet and maximum densities of 3.0 units per net acre, as a rural to suburban transition. One primary dwelling is permitted on each legal lot.
- *Residential 5 (R-5) – 5.0 du/acre:* Residential 5 is intended to provide for lower density suburban development consisting of single-family detached units with minimum lot sizes of 8,700 net square feet and maximum densities of 5.0 units per net acre. One primary dwelling is permitted on each legal lot.
- *Residential 8 (R-8) – 8.0 du/acre:* Residential 8 is intended to provide for suburban single-family detached residential units with minimum lot sizes of 5,400 net square feet and maximum densities of 8.0 units per net acre. One primary dwelling is permitted on each legal lot.
- *Residential RS-11 (RS-11) – 11.0 du/acre:* Residential RS-11 is intended to provide for single family detached residential units with minimum lot sizes of 3,950 net square feet and maximum densities of 11.0 units per net acre. One primary dwelling is permitted on each legal lot.
- *Residential 11 (R-11) – 11.0 du/acre:* Residential 11 is intended to provide for a variety of residential development types found within the coastal areas, ranging from single-family detached units to single-family attached units, such as condominiums, townhouses, and senior housing. The minimum lot size is 3,950 net square feet and the maximum density is 11 units per net acre.

- *Residential 15 (R-15) – 15.0 du/acre:* Residential 15 is intended to provide for higher density residential development within the coastal areas including single-family units (attached and detached), duplex units, and senior housing, with a maximum density of 15 units per net acre.
- *Residential 20 (R-20) – 20.0 du/acre:* Residential 20 is intended to provide for compatible high density multiple-family residential development including apartments, condominiums, and senior housing, with a maximum density of 20 units per net acre.
- *Residential 25 (R-25) – 25.0 du/acre:* Residential 25 is intended to provide for compatible high density multiple-family residential development including apartments, condominiums, and senior housing, with a maximum density of 25 units per net acre.
- *Mobile Home Park (MHP) – 11.0 du/acre:* Mobile Home Park is intended to provide exclusively for mobile home park development with a maximum density of 11 units per net acre for new or redeveloped parks.

The City's Zoning Code also regulates the physical development of land by imposing minimum standards on lot size, lot width and depth, setbacks, and by placing maximum limits on lot coverage and floor-area ratio (FAR). These development standards are intended to control for unacceptable mass and bulk, ensure proper scale of development, provide minimum light, air, and open space for every lot, and minimize the potential for spillover and edge effects between uses. City-wide, the standards vary among zoning categories and are "fine-tuned" for the specific plan areas. The City's determination of realistic site capacity reflects these standards.

Table B-40: Residential Development Standards									
Zoning District	Maximum Density	Maximum Building Height (ft.)	Minimum Net Lot Area (sq. ft.)	Minimum Lot (ft.)		Setbacks (ft.)			Maximum Lot Coverage
				Width	Depth	Front	Rear	Side	
RR	0.125 (8 ac flood plain) 0.25-0.5 (2-4 ac, depending on slope)	26	2 acres	110	150	30	25	15-20	35
RR-1	1	26	1 acre	110	150	30	25	15	35
RR-2	2	22-26	21,500	100	150	30	25	10-15	35
R-3	3	22	14,500	80	100	25	25	10	35
R-5	5	22	8,700	70	100	25	25	10	35
R-8	8	22	5,400	60	90	25	25	5-10	40
R-11/ RS-11	11	22	3,950	40	90	20	20	5-10	40
R-15	15	22	20,000	100	150	20	15-20	5-20	40
R-20	20	22	20,000	100	150	20	15-20	5-20	40
R-25	25	22	20,000	100	150	20	15-20	5-20	40
MHP	11	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Source: City of Encinitas Zoning Code, 2011.									

### **8.2.1 Minimum Lot Sizes**

Minimum lot sizes and dimensions (width and depth) correspond to their residential density categories such that application of these standards will allow planned density to be achieved. For example, the R-11 zone requires a minimum lot size of 3,950 square feet (sf) per dwelling unit (du) and minimum dimensions of 40 feet by 90 feet, which is less than the 3,960 sf/du minimum required to achieve a density of 11 du/acre (43,560 sf /11 du = 3,960 sf/du). Additionally, City ordinances allow some flexibility for legal non-conforming lots whose sizes may not meet current minimum standards. For example, a duplex development is permitted on legal lots as small as 5,000 sf (2,500 sf/du). Therefore, minimum lot size and lot dimension standards do not constrain the ability to achieve planned densities.

### **8.2.2 Setbacks**

Minimum setback or yard requirements vary among the residential zones. The primary purposes of imposing setbacks is to ensure adequate air and light between properties, to ensure adequate on-site access and circulation, to provide opportunities for private open space areas (yards), and to separate uses between properties to minimize conflicts and potential life/safety hazards. Generally speaking, setbacks are tied to lot size, meaning smaller lots have lower minimum setbacks, and larger lots require larger “yards.” As with other development standards, the Zoning Code and specific plans provide flexibility to minimum requirements under certain circumstances. For example, in the R-15 through R-30 zones, the minimum side yard requirement can be reduced from 15 feet to five feet for existing legal lots that do not meet current minimum lot size requirements. Also, the front yard requirement can be reduced from 20 feet to 15 feet in cases where parking access can be taken from an abutting alley. While it is possible that setback requirements may inhibit maximum density from being realized in some cases, there is enough flexibility in the current ordinances that setback requirements do not constitute a significant constraint on residential development. Setback requirements have been considered in the City’s calculation of realistic site capacity.

### **8.2.3 Lot Coverage and FAR**

Lot coverage and floor area ratio (FAR) standards are intended to control bulk, mass, and intensity of a use. Lot coverage limits a building’s footprint and is defined as the percentage between the ground floor area of building(s) and the net area of a lot. FAR limits the total usable floor area and is expressed as a ratio between the bulk floor area of building(s) and gross lot area. In most residential-only zones (except R-30), while maximum lot coverage ranges between 35 to 40 percent, a FAR of 0.6 applies only in the middle density zones (R-5 to R-11/RS-11). Floor area ratio limits do not apply to the higher density multi-family zones, nor do they apply to any but three of the specific plan mixed-use zones (D-CM-2, D-OM, and D-VCM). As applied to residential development, these standards may only limit the size of dwelling units, and do not limit the number of units, which is an expression of density (that is, zoning). FAR, combined with height limitations, can potentially prevent maximum density from being achieved in certain cases. This is most likely to be the case in older, small lot areas, but as discussed under “Residential Height Limits”, the City has adopted more flexible zoning standards to encourage infill and redevelopment in these areas.

To examine whether the FAR limitation alone or in combination with other development standards has resulted in development at less than maximum density, the City reviewed records of new construction between 2000 and 2007 in the R-11 and D-CM-2 zones. During this time period some 85 new units were



constructed in the R-11 zone. Only three properties developed at less than maximum density, none of which appeared to have been constrained by FAR or other development standards. Two of the properties developed as single-family homes with an accessory unit and the third developed as a single-family dwelling only. Also, during this period, five mixed-use projects were constructed in the D-CM-2 zone. Three of these developed at or near the maximum 0.65 FAR, only one of which achieved maximum density. The others that did not develop at maximum density could have if the non-residential floor area was dedicated to residential use (this zone allows standalone residential). Therefore, while it is conceivable that some combination of development standards may preclude maximum density from being realized under unique circumstances, the City's analysis has not identified any such constraints in the multi-family or mixed-use zones. Lot coverage and FAR do not constrain the ability to achieve planned densities.

#### **8.2.4 Building Height**

Residential building height in the rural residential zones (R through RR-1 and RR-2 for standard lots in Olivenhain) is permitted up to a maximum of 30 feet without discretionary review (26 feet in height if the structure consists of a flat roof). For most other residential zones, building height is limited to two-stories and 22 feet (flat roof)/26 feet (pitched roof). These restrictions on height in most cases do not pose a significant constraint to the provision of housing and reinforces the community's need to protect the existing character, views and quality of the communities within Encinitas. Higher density housing can be constructed within these height limits as demonstrated by the City's development history, particularly in the Downtown Encinitas Specific Plan area where there is no density limit. The City has demonstrated that higher density and affordable housing can be, and is being, constructed within these height parameters.

Relative to Proposition A, the ballot measure established a citywide height limitation and new method for establishing where height is measured from (the lower of natural or finished grade). Previously, in some circumstances (before Proposition A) an approved subdivision may have established the finished pad elevation from which building height is measured with consideration given to on-site and surrounding terrain. The purpose of the new method of measuring height is to discourage excessive grading activity and the building up of pads. This helps minimize impacts to the topography and adjacent views. Some architectural elements may project up to four feet above the height limit.

As part of the required upzoning of lower income sites, a measure will be placed on the ballot to allow heights of three stories and 37 feet on lower income sites where developments achieve a minimum density of 25 units per acre. These exceptions will be applied only to those site-specific parcels as identified in the rezoning program and will require inclusion of some two-story elements. Even without an amendment to the height limit, however, local developers have confirmed that R-25 sites could develop at densities of 19-24 units per acre under the Proposition A limits.

The building envelopes resulting from the height limits discussed above, combined with other development standards such as setbacks, results in sufficient area to realize the density of dwellings as planned for individual lots. That is, the existing or proposed height limits are intended to allow planned density to be achieved. While certain lots in the City may be impacted by physical limitations, such as non-conforming lot areas and/or unusual shapes or topography, such properties can seek relief from development standards through the variance process. Also, since substandard lot conditions are most

likely to occur in the older parts of the city, flexibility in the zoning regulations has been provided in those areas through the adoption of specific plans.

### 8.2.5 Net Lot Area

The City's General Plan and Zoning Code require that certain constrained lands be excluded from net lot area. The net lot area is then utilized to calculate the project density. For purposes of density, the gross lot area is reduced by the presence of steep slopes as follows: the density for properties containing slopes is calculated based on the following:

- Zero to 25 percent slope – no deduction (100 percent density);
- 25-40 percent slope – half of area deducted (50 percent density); and
- Slopes greater than 40 percent, plus or minus area completely excluded (no density allowance).

Other constrained areas are deducted as well, including floodplains, beaches, permanent bodies of water, significant wetlands, major utility easements, railroad track beds or rights-of-way, and easements for streets and roads. According to SANDAG (2030 Forecast, 2005 Inputs), approximately ½ of the remaining land otherwise available for residential development in Encinitas (excluding the Downtown and North Highway 101 specific plan areas) is environmentally-constrained. However, almost 99 percent of the identified constrained lands occur in the lower residential density categories: 1 du/acre through 8 du/acre. Land at these densities is capable of supporting above-moderate income housing. As demonstrated in the Housing Resources section of this Housing Element, the City has sufficient land to support the regional share for all income levels, even with the environmental constraints identified above.

### 8.2.6 Parking Standards

Adequate off-street parking shall be available to avoid street overcrowding. Parking requirements for single-family and multi-family residential uses in Encinitas are summarized in **Table B-41**.

Table B-41: Parking Requirements	
Type of Residential Development	Required Parking Spaces
SRO Hotels and Temporary Shelters	1 space for every 2 units
Single-Family or Two-Family Dwelling	2 enclosed parking spaces for each unit up to 2500 square feet of floor area. 3 spaces for dwelling units in excess of 2500 square feet. Any parking space over 2 spaces may be enclosed or unenclosed.
Multiple-Family Apartments (including Mobile Home Parks)	
Studio Apartments	1.5 spaces per unit + 0.25 spaces per units
1-2 Bedroom Units	2 spaces per unit + 0.25 spaces per units
3+ Bedroom Units	2.5 spaces per unit + 0.25 spaces per units
Accessory Apartments	1 space
Source: City of Encinitas Zoning Code, 2010.	

The relaxing of parking standards is often used as an incentive to induce the redevelopment of existing buildings and the creation of affordable dwelling units. The City has provided this incentive within the



Downtown Encinitas and North 101 Corridor Specific Plans. The specific plans require only one space per unit for units that are guaranteed affordable to low or very low income households. This provides an incentive for affordable housing construction. Additionally, the majority of residential projects in the City are eligible for density bonus and can elect to use the lower standards permitted by state density bonus law (one onsite space per unit for studio to one bedroom units, two onsite spaces per unit for two to three bedroom units, and 2.5 onsite spaces per unit for four or more bedroom units, inclusive of guest and disabled parking spaces).

Through the conditional use permit process, the City can also consider a less stringent parking requirement if a site-specific parking study clearly demonstrates that traffic circulation, public safety, coastal access, and the availability of public on-street parking are not impaired. The Zoning Code also provides for case-by-case evaluation of proposed joint-use parking agreements and off-site parking arrangements.

Not only does the required number of parking spaces affect the development potential of a property, but the physical design of the required parking can also affect it as well. The Planning Commission has the authority to establish and amend from time to time parking design guidelines, which govern parking space layout, minimum dimensions, location, circulation, landscaping, surfacing materials and the like.

While off-street parking standards can affect planned residential density, especially for small lots and in-fill areas, this potential constraint is mitigated by the incentives and flexible standards described above. However, the Housing Element includes Program 3A to amend the zoning code parking standards for affordable, mixed-use and transit-oriented housing projects and to ensure that the parking standards do not constrain realistic capacity.

#### **8.2.7 Flexibility in Development Standards**

In addition to the variability and flexibility in the development standards described above, the Zoning Code also provides potential for further flexibility through the Lot Area Averaging and Planned Residential Development (PRD) entitlement processes. Implemented through a conditional use permit, these provisions encourage more creativity and flexibility in design to minimize grading, preserve significant natural resources or topographical features, and promote more efficient and economical use of land. Where the lot averaging and PRD processes are not appropriate but relief from the above standards is still warranted, the opportunity for a variance approval exists. As such, the above standards collectively do not pose a significant constraint to residential development overall, and the sites identified in the Housing Element have adequate capacity to accommodate the City's RHNA.

#### **8.2.8 Mid-range Density**

Projects resulting in five or more residential units/lots are limited to the mid-point density of the applicable zoning category. Project applicants may request to exceed the mid-point if findings can be made that the proposed project excels in design excellence or provides extraordinary community benefits. To avoid this midpoint limitation, most developers elect to develop at the maximum permitted density with a density bonus. Thus the policy has had the actual effect of increasing the number of both market-rate and affordable units built in the City.

This policy will be eliminated on sites rezoned to accommodate lower income housing.

### 8.3 Provision for a Variety of Housing Types

Housing Element law specifies that jurisdictions shall identify adequate sites to be made available through appropriate zoning and development standards to encourage the development of a variety of housing types for all economic segments of the population. This includes single-family homes, multi-family housing, accessory dwelling units, mobile homes, emergency shelters, and housing for persons with disabilities.

**Table B-42** below summarizes the various housing types permitted within the City's zoning districts.

<b>Table B-42: Use Regulations for Residential Districts</b>					
<b>Use</b>	<b>RR, RR-1, RR-2</b>	<b>RS-11, R-3, R-5, R-8</b>	<b>R-11, R-15</b>	<b>R-20, R-25</b>	<b>MHP</b>
Single-Family Dwelling	P	P	P	P	P
Accessory Dwelling Unit	P	P	P <sup>1</sup>	P <sup>1</sup>	P <sup>1</sup>
Multi-Family Dwelling	X	X	P	P	X
Mobile Home Park	X	X	C	C	P
Manufactured Housing	P	P	P	P	P
Residential Care Facility (6 or fewer)	P	P	P	P	X
Residential Care Facility (7 or more)	C	C	C	C	X
Notes: 1 - in conjunction with an existing single-family residence or the construction of a new single-family residence on a lot zoned for single-family or multifamily use					

#### 8.3.1 Single-Family Dwelling

A "single-family dwelling" is defined in the Zoning Code as a one-family dwelling, attached or detached, located on separate lots or parcels exclusively for residential occupancy. Single-family dwellings are permitted in all residential zones. The City's definition of "family" does not limit the number of unrelated persons who may be considered a "family," as discussed later in this Appendix.

#### 8.3.2 Accessory Dwelling Unit and Junior Accessory Dwelling Unit

Accessory dwelling units (ADUs) are attached or detached dwelling units that provide complete independent living facilities for one or more persons including permanent provisions for living, sleeping, cooking and sanitation. Junior accessory dwelling units (JADUs) have access to the main home, may share a bath, and have limited kitchen facilities. Accessory dwelling units may be an alternative source of affordable housing for lower-income households, seniors, family members, and live-in assistants enabling owners to age in place.

As described in Program 1C, the City has adopted flexible ADU standards to encourage ADU production. Those standards allow both an ADU and a JADU on one lot, reduce setbacks, and increase floor area. The City also waives development fees for ADUs.

### **8.3.3 Multi-Family Dwelling**

According to the State Department of Finance, multiple-family housing consisted of approximately 22 percent of the 2010 housing stock in Encinitas. In 2017 that number was approximately the same. The Zoning Code allows multi-family developments as a permitted use in the higher density residential zones (R- 15, R-20 and R-25). The maximum density for the R-25 zones is 25 units per acre.

Program 1B provides for upzoning the proposed lower income sites to a maximum density of 30 units per acre.

### **8.3.4 Mobile Home Parks and Manufactured Housing**

Manufactured housing and mobile homes can be an affordable housing option for low and moderate income households. According to the California Department of Finance, there were 770 mobile homes in the City as of January 2010. In 2017, that number was estimated to be 678 units. A mobile home built after June 15, 1976, certified under the National Manufactured Home Construction and Safety Act of 1974, and built on a permanent foundation may be located in any residential zone where a conventional single-family detached dwelling is permitted subject to the same restrictions on density and to the same property development regulations. The Encinitas Municipal Code does not define manufactured housing. However, factory-built modular homes, constructed in compliance with the City's construction codes, and mobile homes/manufactured housing units that comply with the National Manufactured Housing Construction and Safety Standards Act of 1974, are considered single-family dwellings and treated as such. Mobile Home Parks require a Conditional Use Permit (CUP) in the R-11 and the higher density residential zones (R-15, R-20 and R-25) and are a permitted use in the MHP zone.

### **8.3.5 Residential Care Facilities**

Residential care facilities licensed or supervised by a federal, state, or county agency provide 24-hour non-medical care of unrelated persons who are handicapped and in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual in a family-like environment. Several state laws, including the Community Care Facilities Act (California Health and Safety Code) and Lanterman Developmental Disabilities Services Act (California Welfare and Institution Code), require that State-licensed residential care facilities serving six or fewer persons (including foster care) be treated as a regular residential use and therefore shall be permitted by right in all residential zones allowing residential uses. These facilities cannot be subject to more stringent development standards, fees, or other standards than the same type of housing in the same district.

In accordance with these provisions, Encinitas allows residential care facilities serving six or fewer persons within all residential zones. Residential care facilities serving more than six persons are conditionally permitted in all single-family residential zones when located on a prime arterial roadway, and conditionally permitted in all multi-family zones. Conditions for approval are similar to those of similar uses in the same zone.

### **8.3.6 Emergency Shelters**

Senate Bill 2, enacted in October 2007, 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. The identified zone shall have sufficient capacity to accommodate at least one year-round shelter and accommodate the City's share of the regional unsheltered homeless population. In January 2018, the annual Point-in-Time Count found 39 sheltered and 86 unsheltered individuals in the City of Encinitas.

The City of Encinitas' Zoning Code does not explicitly address emergency shelters. Housing Element Program 2E provides that the City will amend its Zoning Code by November 2018 to permit homeless shelters by right, without discretionary review, within the Light Industrial (LI) and Business Park (BP) zones, consistent with State law. Areas designated as Light Industrial and BP total approximately 28 acres.

#### **Access to Public Transit and Services.**

In selecting an appropriate location for emergency shelters, access to public transit was an important consideration, as many individuals and households experiencing homelessness do not have any reliable means of transportation. This area is well served by public transportation and regional connections. North County Transit District (NCTD) offers two nearby bus routes the 309 and the 304, both of which operate frequently and have stops located within 0.15 miles – 0.8 miles. The 309 runs along Encinitas Blvd and El Camino Real and connects with the El Camino Real Sprinter station in Oceanside. The 304 route runs along Santa Fe Drive and connects to the Sprinter (light rail) station in San Marcos, adjacent to Palomar College. Both the 304 and 309 bus routes connect at the Encinitas Transit Center (approximately 1 mile), which is served by the Coaster (train connecting Oceanside to Downtown San Diego), and the 101 bus route, connecting Oceanside to the Veteran's Administration in La Jolla.

Another important consideration was proximity to jobs. Several nearby businesses, including grocery and convenience stores, car washes, restaurants, and fast food chains are well established and located within 0.25 – 0.5 miles of the BP and LI zones. Within the BP and LI zones, there are several employers including an auto parts store, automotive repair, and light manufacturing and industrial businesses. The BP and LI zones are located along a major arterial (Encinitas Blvd), which runs east/west and links downtown Encinitas to the El Camino Real commercial corridor. The Downtown area and the El Camino Corridor both have ample employment opportunities, with businesses such as restaurants, fast food chains, car washes, automotive repair, retail, convenience and grocery stores, and drinking establishments. Additionally, close proximity to the Encinitas Transit Center enables workers to travel farther for employment.

The selected zones are also close to a variety of services. The Community Resource Center (CRC) is an important local partner to the City in providing housing navigation and supportive services for those experiencing homelessness and other at-risk populations. CRC's main social service office is located within 1.2 miles of the BP and LI zones, accessible by transit. The City provides funding to CRC 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 also established an Advisory Committee on Homelessness in Encinitas, comprised of public agency staff, law enforcement, community members, homeless activists, and others. This committee has proven to an effective communication tool and resource network between all relevant stakeholders. CRC also offers emergency shelter and transitional housing for domestic violence victims, housing prevention programs, case management, self-sufficiency planning, tax preparation, and move-in and transit support (gas cards, transit passes, security deposits, etc.). Proximity to CRC was an important consideration in the selection of zone(s) appropriate for an emergency shelter.

Many faith-based institutions are also located in close proximity to the BP and LI zones: St Johns (1.1 miles), San Dieguito Methodist Church (0.6 miles), St. Andrews (1.2 miles), Seacoast Church (0.6 miles), and Bethlehem Lutheran (1.1 miles). All churches are accessible by public transit except Seacoast, which is within walking distance, and most of these churches have been involved in ending homelessness in Encinitas. For example, St. Andrews hosts a regular mobile shower event for the homeless, Seacoast Church voluntarily hosted a mobile handwashing station and portable toilet during a Hepatitis A outbreak and has expressed interest in building on-site affordable housing, and Bethlehem Lutheran and San Dieguito Methodist both participate in the Winter Rotational Shelter program, operated by Interfaith Shelter Network.

The City's Community and Senior Center is located approximately 1.0 miles from the BP and LI zones and is accessible by transit. The Senior Center offers daily lunch service for a suggested donation of \$4.00, provides transportation services, and acts as a hub for a host of other resources to seniors. Additionally, the YMCA Magdalena Center is just 0.8 miles away, also accessible by transit, and offers a number of programs for families. The YMCA offers subsidized childcare, youth and family services, and membership scholarships.

The Encinitas Public Library and Encinitas City Hall are approximately 1.0 miles from the BP and LI zones and accessible by transit. The library offers a computer lab, free internet access, and serves as an information hub for resources. City Hall is where the City's Development Services Department is located, which is responsible for administering the City's housing programs, including Section 8 Rental Assistance. Additionally, North County Health Services, which serves low-income and uninsured populations, is located in downtown Encinitas, just 1.6 miles from the BP and LI zones. Additionally, Scripps Memorial Hospital is 1.1 from the BP and LI zones. Each of these health care facilities is accessible by public transit.

The City of Encinitas has partnerships with many other service providers. The City provides Community Development Block Grant (CDBG) program funds to a number of homeless service providers for homeless prevention and regional shelter efforts. Having these relationships in place strengthens the potential for an emergency shelter in the LI and BP zones. To the extent that funds are available, the City will continue to sponsor or assist emergency shelter facilities, inside City limits or outside within a reasonable proximity to the City, as well as encourage or support facilities by providing grants, or low cost loans, to operating agencies.

Other North County facilities and services for those experiencing homelessness include:

- Mental Health Systems (Oceanside – 12.2 miles)
- Interfaith Community Services (Vista – 16.4 miles)
- La Posada Shelter (Carlsbad – 7.8 miles)
- Women's Resource Center (Oceanside – 12.2 miles)
- Operation Hope (Vista – 15.6 miles)
- Haven House (Escondido – 16.4 miles)
- Interfaith Community Services (16.4 miles)
- North County Lifeline (Oceanside 13.1)
- Oceanside Transit Center (Oceanside – 13.1 miles)

### **Opportunity for Creation of Emergency Shelters**

Development of emergency shelters would most likely involve the adaptive reuse of existing nonresidential structures (commercial and industrial uses) in the BP and LI zones. In general, adaptive reuse of a non-residential structure is the most likely means by which an emergency shelter could be created in the City. The feasibility of adaptive reuse from a building code standpoint would be similar in the BP and LI zones as in any other location throughout the City.

Consistent with dormitory style living, an average of approximately 75 to 100 square feet would be required per shelter bed, including space for waiting/intake areas, kitchen and eating areas, common living space, bathrooms, and storage. Based on this rule of thumb, one or more facilities totaling approximately 8,500 sf to 10,000 sf would be required to house the City's entire unsheltered homeless population of 86 individuals. The BP and LI Zones contain adequate capacity to accommodate such a facility in one or more locations.

The BP and LI zones consist of 28.56 acres; of which 0.32 acres is vacant of any structures. The remaining area is developed as an industrial park with a variety of business and light industrial uses such as light manufacturing and warehousing. Of those parcels with existing structures, seven have structures larger than 10,000 square feet, six have structures between 5,000 – 10,000 square feet, and the remaining parcels contain structures of less than 5,000 square feet. With an allowable Floor Area Ratio (FAR) of 0.75, even the smaller parcels would be sufficient to accommodate the needs of the City's unsheltered homeless population.

As of May 2018, the North Coast Business Park website listed a total of 12 suites available for lease within the BP zone, totaling 18,218 square feet. A subsequent field visit confirmed the vacancies, and also revealed additional vacancies within the LI zone, although no for rent or sale signs were noted. This demonstrates the availability of space within the BP and LI zones suitable to accommodate the City's unsheltered homeless population need.

### **Emergency Shelter Development Standards**

Development standards for emergency shelters will be adopted by the Planning Commission and City Council by November 2018. The statute permits the City to apply only limited conditions to the approval of ministerial permits for emergency shelters. Pursuant to State law, emergency shelters may only be subject to those development and management standards that apply to residential or commercial development within the same zone except that the City may apply written, objective standards that include all of the following:

- The maximum number of beds or persons permitted to be served nightly by the facility.
- Off-street parking based upon demonstrated need, provided that the standards do not require more parking for emergency shelters than for other residential or commercial uses within the same zone.
- The size and location of exterior and interior onsite waiting and client intake areas.
- The provision of onsite management.
- The proximity to other emergency shelters provided that emergency shelters are not required to be more than 300 feet apart.



- The length of stay.
- Lighting.
- Security during hours that the emergency shelter is in operation.

Standards adopted by the City will be consistent with these limitations and will be drafted to facilitate the provision of emergency shelters in the designated zones.

### **8.3.7 Transitional Housing**

Government Code Section 65582 defines "transitional housing" as buildings configured as rental housing developments, but operated under program requirements that call for the termination of assistance and recirculating of the assisted unit to another eligible program recipient at some predetermined future point in time, that shall be no less than six months from the beginning of assistance. Residents of transitional housing are usually connected to supportive services designed to assist the homeless in achieving greater economic independence and a permanent, stable living situation. Transitional housing can be located in single-family homes but is usually located in multi-family apartments and typically offers case management and support services to help return people to independent living (often six months to two years).

Currently, transitional housing facilities are included in the Encinitas Zoning Code as residential care facilities. Program 2E in the Housing Element provides that the City will amend its Zoning Code to allow transitional housing to be considered a residential use of property, subject only to restrictions that apply to other residences of the same type (single-family or multi-family) in the same zone.

### **8.3.8 Supportive Housing**

Supportive housing links the provision of housing and social services for the homeless, people with disabilities, and a variety of other special needs populations. Government Code Section 65582 defines "supportive housing" as housing with no limit on length of stay, that is occupied by the target population, and that is linked to on-site or off-site services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. "Target population" means persons with lower incomes who have one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health conditions, or individuals eligible for services provided under the Lanterman Developmental Disabilities Services Act (Division 4.5, commencing with Section 4500, of the Welfare and Institutions Code, who include persons diagnosed with a developmental disability before age 18) and may, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, or homeless people. Similar to transitional housing, supportive housing may be located in single-family homes or multi-family apartments. Supportive housing includes a service component either on- or off-site to assist the tenants in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.

The Encinitas Zoning Code does not currently address the provision of supportive housing. Program 2E in the Housing Element contains a program to amend the Zoning Code to allow supportive housing to be considered a residential use of property, subject only to restrictions that apply to other residences of the same type (single-family or multi-family) in the same zone.

### **8.3.9 Single Room Occupancy Units (SROs)**

SRO units are 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. The Encinitas Zoning Code does not contain specific provisions for SRO units.

The City permits SROs in the DCM-1 zone with a major use permit. Additionally, the City will amend the Zoning Code to permit SROs in multifamily zones.

### **8.3.10 Tiny Homes**

The City has also expressed its interest in exploring the concept of “tiny homes” The tiny house movement (also known as the "small house movement") is a description for the architectural and social movement that advocates living simply in small homes. There is currently no set definition as to what constitutes as tiny home in the City’s Zoning Code; however, a residential structure under 500 square feet is generally accepted to be a tiny home. The City has no minimum unit size that would limit the provision of tiny homes.

### **8.3.11 Farmworker Housing**

The City of Encinitas has established an agricultural overlay zone and, within the Encinitas Ranch Specific Plan, an Agricultural (AG) zone. The Specific Plan further specifies that farm employee housing requires the approval of a minor use permit.

The City will amend the Zoning Code to comply with State laws with regard to agricultural worker housing. Specifically, pursuant to the State Employee Housing Act (Section 17000 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 an agricultural land use designation. Therefore, for properties that permit agricultural uses by right, a local jurisdiction may not treat employee housing that meets the above criteria any differently than an agricultural use. Furthermore, any employee housing providing accommodations for six or fewer employees shall be deemed a single-family structure within a residential land use designation, according to the Employee Housing Act. Employee housing for six or fewer persons is permitted wherever a residence is permitted. To comply with state law no conditional use permit or variance will be required.

## **8.4 Housing for Persons with Disabilities**

Both the federal Fair Housing Amendment Act (FHAA) and the California Fair Employment and Housing Act direct local governments to make reasonable accommodations (that is, modifications or exceptions) in their zoning laws and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. The City conducted an analysis of the zoning ordinance, permitting procedures, development standards, and building codes to identify potential constraints for housing for persons with disabilities. The City’s policies and regulations regarding housing for persons with disabilities are described below.



#### **8.4.1 Land Use Controls**

Under State law, small licensed residential care facilities for six or fewer persons shall be treated as regular residential uses and permitted by right in all residential districts. Encinitas allows residential care facilities serving six or fewer persons within all residential zones. Residential care facilities serving more than six persons are conditionally permitted. The City has not adopted a spacing requirement for residential care facilities.

#### **8.4.2 Definition of Family**

A restrictive definition of “family” that limits the number of unrelated persons and differentiates between related and unrelated individuals living together is inconsistent with the right of privacy established by the California Constitution. The City of Encinitas Zoning Code defines a “family” as “one or more persons, an individual or two (2) or more persons related by blood, marriage or adoption, or a group including unrelated individuals bearing the generic character of and living together as a relatively permanent unit sharing such needs as cooking facilities. Family shall also mean the persons living together including the licensee, the members of the licensee's family, and persons employed as facility staff in the following facilities licensed to serve six (6) or fewer persons: A) a licensed “residential facility”, as that term is defined in the California Community Care Facilities Act, California Health & Safety Code Section 1500 et. Seq; B) a licensed “residential care facility for the elderly”, as that term is defined in the Residential Care Facilities for the Elderly Act, California Health & Safety Act, Section 1569 et. seq.; C) a licensed “congregate care” or “intermediate care facility, as defined in California Health & Safety Code Section 1250; or D) a licensed Alcohol and Drug Abuse Recovery Treatment Center, as defined in the Uniform Controlled Substances Act, California Health & Safety Code Section 11000 et seq.” The City’s definition of family does not limit the number of unrelated persons living together and does not need to be amended.

#### **8.4.3 Building Codes**

The Building and Safety Division actively enforces Titles 11A and 11B of the California Building Code and Americans with Disability Act provisions that regulate the access and adaptability of buildings to accommodate persons with disabilities. No unique restrictions are in place that would constrain the development of housing for persons with disabilities. Section 233.3.2 of the 2010 ADA Standards for Accessible Design requires that a percentage of units in a housing development provide mobility accessibility features and communications features. Other features, such as accessible parking spaces, accessible route of travel, and accessible baths are also required.

#### **8.4.4 Encroachment Permit Procedure**

Encroachment permits for structures within public rights-of-way are handled administratively by the Engineering Services Department. Improvements designed to improve accessibility (such as a wheelchair ramp) that encroach on the public right-of-way needs a Permanent Encroachment permit with a Maintenance and Removal Covenant. The applicant provides a drawing of the proposed improvements in relation to the public right of way, which is then reviewed by the City Engineer. The improvements shall be completed by a licensed and insured general contractor. There is a nominal permit fee as well as a small recording fee. The City’s permit processes for waivers and encroachments are relatively simple and expeditious and do not constitute a constraint to reasonable accommodations for persons with disabilities.

#### **8.4.5 Retrofitting and Barrier Removal**

The City also allows residential retrofitting to increase the suitability of homes for persons with disabilities in compliance with ADA requirements. Such retrofitting is permitted under Chapter 11 of the California Code. The City works with applicants who need special accommodations in their homes to ensure that application of building code requirements does not create a constraint.

The City does not impose special permit procedures or requirements that could impede the retrofitting of homes for accessibility. The City's requirements for building permits and inspections are the same as for other residential projects. City officials are not aware of any instances in which an applicant experienced delays or rejection of a retrofitting proposal for accessibility to persons with disabilities.

#### **8.4.6 Permits and Review Procedures**

The City does not impose special occupancy permit requirements for the establishment or retrofitting of structures for residential use by persons with disabilities. Generally, if structural improvements were required for an existing group home, a building permit would be required. If a new structure were proposed for a group home use, review would be required as for any other new residential structure.

Many residential projects in the City require some level of design review. The design review and hearing process is the same for group homes and special needs housing for persons with disabilities as for other residential projects. The City's design review process has not been used to deny or make infeasible a housing project for persons with disabilities.

#### **8.4.7 Reasonable Accommodation**

Both the Federal Fair Housing Act and the California Fair Employment and Housing Act direct local governments to make reasonable accommodations (that is, modifications or exceptions) in their zoning laws and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. For example, it may be reasonable to accommodate requests from persons with disabilities to waive a setback requirement or other standard of the Zoning Code to ensure that homes are accessible for the mobility impaired. Whether a particular modification is reasonable depends on the circumstances.

Encinitas currently provides information to applicants or those inquiring of City regulations regarding accommodations in zoning, permit processes, and application of building codes for persons with disabilities. Applicants for development projects may apply for a variance from development standards if circumstances warrant. Certain minor variances may be granted by the City's zoning administrator, while other variance requests are approved by the Planning Commission. In either case, rather strict findings must be made in order to grant a variance. As such, the formal variance procedure may not be the appropriate vehicle to consider requests for reasonable accommodations. Housing Element Program 5A states that the City will amend the Zoning Code to adopt a reasonable accommodation ordinance.

### **8.5 Development and Planning Fees**

Residential developers are subject to a variety of fees and exactions to process permits and provide necessary services and facilities as allowed by State law. In general, these development fees can be a constraint to the maintenance, improvement, and development of housing because the additional cost borne by developers contributes to overall increased housing unit cost. However, the fees are necessary

to maintain adequate planning services and other public services and facilities in the City. These fees have not been found to act as a constraint to the development of housing in Encinitas.

**Table B-43** summarizes the most common planning and development impact fees for the City of Encinitas and other North County Coastal cities. In general, the City's fees are comparable to those imposed on developments in other North San Diego communities.

Development fees vary depending on housing type and the location of the project. However, generally, a developer can expect to pay approximately \$5,000 in total planning fees for a typical single-family dwelling unit. For a small multi-family project (five to ten units), fees total approximately \$6,000 per unit (1,200 square feet). Given the high land costs in Encinitas, the City's planning and development fees represent only a small percentage of the overall development costs and do not serve to constrain housing development.

<b>Table B-43: Regional Comparison of Planning and Development Fees (2018)</b>				
	<b>Encinitas<sup>1</sup></b>	<b>Carlsbad<sup>2</sup></b>	<b>Oceanside<sup>3</sup></b>	<b>Solana Beach<sup>4</sup></b>
<b>Planning Fees</b>				
Coastal Development Permit	\$1,600	\$910-\$3,774	\$3,000 - \$4,000	
Design Review/Development Review	\$274-\$4,800	--	\$5,000-\$6,435	\$3,030-\$10,000
Major Use Permit/Conditional Use Permit	\$6,000	\$4,765	\$5,000	\$9,300
Minor Use Permit	\$2,110	\$798	\$3,000	\$2,327
Tentative Parcel Map	\$4,555	\$4,044	Deposit Account	--
Final Parcel Map	\$355	\$3,115	--	--
Tentative Subdivision Map	\$13,000 (plus \$650 per lot in excess of 5 lots)	\$4,044 - \$17,501	Deposit Account	\$8,674-\$10,858
Final Subdivision Map	\$520	\$7,964	--	\$4,002-\$5,777
Variance	\$1,580-\$3,810	\$3,005	\$4,000	\$2,163
Plan Check	\$70-\$1,000	70% of building permit	--	--
Environmental Review-Initial Study	\$5,055	--	\$5,000 Deposit Account	\$291 plus cost
General Plan Amendment	\$13,000-\$20,000 (Plus staff time and costs)	\$4,537-\$6,544	\$10,000	\$10,000
<b>Impact/Capacity Fees</b>				
Parks and Recreation Fee	\$5,423-\$9,220/unit	\$3,696-\$7,649/unit	\$4,431/unit	\$600/unit
Open Space Land Acquisition	\$287 - \$438/unit	--	--	--
Trail Development Fee	\$107 - \$168 unit	--	--	--

**Table B-43: Regional Comparison of Planning and Development Fees (2018)**

	Encinitas <sup>1</sup>	Carlsbad <sup>2</sup>	Oceanside <sup>3</sup>	Solana Beach <sup>4</sup>
Community/Public Facilities Fee	\$387-\$571/unit	--	\$2,621/unit	1% of valuation
Affordable Housing In-Lieu Fee	--	\$2,915-\$4,515/unit	\$1,000/project + \$100/unit plus \$5.80/sq ft	--
Sewer Connection Fee	\$2,680 - \$4,006/unit	\$934/unit	\$7,794/unit	--
Public Art Fee	--	--	--	0.5% of valuation
Traffic Impact Fee	\$2,680 to \$4,006/unit	\$111 - \$329 per ADT	--	SF: \$3,623/unit MF: \$2,899/unit
School Facilities Fee	--	--	\$3.20 - \$3.48/sq. ft.	--
Water Connection Fee	SDWD: \$8,940 - \$49,608 OMWD: \$12,807 - \$82,697	--	--	--

Source: Cities of Encinitas, Carlsbad, Oceanside and Solana Beach, 2018.

Notes:

(1) effective Jan 1, 2018

(2) Effective Jan 1, 2018

(3) effective April 1, 2017

(4) effective 2011

## 8.6 On and Off-Site Improvements

Site improvements in the City consist of those typically associated with development for on-site improvements (fronting streets, curbs, gutters, sewer/water, and sidewalks), and off-site improvements (drainage, parks, traffic, schools, and sewer/water). Thus, these are costs that will be added to the sale or rental price of housing. Because residential development cannot take place without the addition of adequate infrastructure, site improvement requirements are not seen as a constraint to the development of housing within the City.

Unlike most cities, Encinitas does not impose standardized infrastructure requirements. Adopted policies in other elements of the General Plan call for street and sidewalk improvement standards adequate to serve and protect public safety but are tailored to specific community and neighborhood design needs. This approach is expected to result in requirements less stringent and less costly than the normal type of citywide engineering requirements imposed by most municipalities. The improvements and exactions required for residential development are limited to those improvements needed to allow the project based on its impacts.

For single-family residential development on vacant land, examples of typical on-site improvements might include stormwater detention facilities, roads, sidewalks, perimeter walls, fire hydrants and emergency

access drives, and recreational trails. The Fire Department may require fire breaks and fuel management areas if a project is within or near brush areas. Multifamily developments may also include common open space and recreation areas, as well as lockable storage areas.

Typical off-site improvements for both single-family and multi-family developments might include: new curbs, gutters, and sidewalks, recreational trail facilities, road improvements and traffic control needed to serve the development, street trees, and landscaping. Utilities may need to be upgraded or installed to serve the development, including water mains, sewer mains, stormwater pollution prevention measures, and undergrounding of electric utilities.

Infill residential projects may be required to install any of the example improvements listed above, depending on site-specific circumstances and neighborhood needs. As mentioned previously, required site improvements are limited to just those needed to serve the project and offset related impacts.

For residential projects, there is no fixed landscaping requirement as a percentage of the total site. However, projects subject to design review, such as single-family subdivisions and multi-family projects are required to submit landscaping plans as part of the overall project. Multifamily projects are required to maintain a landscape buffer when adjacent to a rural residential or single-family zone. Specific landscaping requirements may vary from city-wide standards in the various specific plan areas. For projects not subject to design review (for example, a new single-family home on an individual lot), an approved landscaping plan is generally not required. Open space requirements apply to residential projects under certain circumstances such as the presence of steep slopes, floodplains, sensitive habitat, or other environmentally constrained features. For example, properties subject to the Hillside/Inland Bluff Overlay Zone shall preserve undisturbed or restored areas that exceed 25 percent in slope in an open space easement or deed restriction. The purpose of such restrictions is to protect environmentally or geologically sensitive areas from the adverse effects of development.

Open space requirements can be applied through Lot Area Averaging and Planned Residential Development (PRD) projects. A primary purpose for lot averaging and PRD projects is to allow design flexibility to protect sensitive areas and significant topographic features while maintaining the ability to achieve planned densities. Open space reservations also provide a recreational amenity for the residents of such developments. For example, the PRD standards require that 40 percent of a development site contain both developed and undeveloped open space for the purposes of preserving natural and sensitive areas while providing common recreational and private use areas.

Public street widths are specified in the City's Municipal Code (23.36.090). The City requires a standard right-of-way of 30 feet for residential and light collector streets. These improvement requirements are typical and do not constrain housing development. These are typical standards acceptable to the Encinitas Fire Protection Department and County Fire.

## **8.7 Building Codes and Enforcement**

The City of Encinitas' construction codes are based upon the California Code of Regulations, Title 24 (Building, Plumbing, Mechanical, Electrical and Housing Codes) and are considered to be the minimum necessary to protect the public health, safety and welfare of the City's residents. The City has also adopted the Uniform Fire Code (UFC). Code enforcement is conducted by the City and is based on systematic enforcement in areas of serious concern and on a complaint basis throughout the City. The Code

Enforcement Division works with property owners and renters to assist in meeting State health and safety codes. The Code Enforcement Division has not found any structures to be unfit for human occupancy as a result of its code enforcement efforts.

## 8.8 Local Permits and Processing Times

The processing time needed to obtain development permits and required approvals is commonly cited by the development community as a prime contributor to the high cost of housing. Depending on the magnitude and complexity of the development proposal, the time that elapses from application submittal to project approval may vary considerably. Factors that can affect the length of development review on a proposed project include: completeness of the development application and responsiveness of developers to staff comments and requests for information. Approval times are substantially lengthened for projects that are not exempt from the California Environmental Quality Act (CEQA), require rezoning or general plan amendments, or encounter community opposition.

Certainty and consistency in permit processing procedures and reasonable processing times is important to ensure that the development review/approval process does not discourage developers of housing or add excessive costs (including carrying costs on property) that would make the project economically infeasible. The City is committed to maintaining comparatively short processing times. Total processing times vary by project, but most residential projects are approved in three months to one year. **Table B-44** provides a detailed summary of the typical estimated processing procedures and timelines of various types of projects in the City.

Table B-44: Processing Times				
Project Type	Reviewing Body	Public Hearing Required	Appeal Body (if any)	Estimated Total Processing Time
Single-Family Subdivision	≤4 lots: Development Services Director ≥5 lots: Planning Commission	Yes	City Council; Coastal Commission in Coastal Commission appeal jurisdiction	≤4 lots: 3-6 months ≥5 lots: 6 months to 1 year
Multiple-Family	Planning Commission	Yes	City Council; Coastal Commission in Coastal Commission appeal jurisdiction	6 months to 1 year
Multiple-Family (with subdivisions)	Planning Commission	Yes	City Council; Coastal Commission in Coastal Commission appeal jurisdiction	6 months to 1 year
Mixed-use	Planning Commission	Yes	City Council; Coastal Commission in Coastal Commission appeal jurisdiction	6 months to 1 year

At a minimum, building permits are required to construct any new or structurally-remodeled dwellings. New single-family units and multi-family development proposals are subject to design review. Land subdivisions require approval of a parcel or subdivision map. Proposed residential development within the Coastal Zone is also subject to approval of a Coastal Development Permit. In all residential zones single-family and multi-family development is permitted by right, that is, not subject to a conditional use permit unless the applicant proposes a Planned Residential Development (PRD) or lot area averaging.

Single-family and multi-family uses also are permitted by right in mixed-use zones. The review procedures for single-family and multi-family development are similar. The processing time for the most common residential development applications are summarized in **Table B-45**. These applications are often processed concurrently while Coastal Development Permits are usually processed concurrently with other development permits, they can add approximately two months to the processing time for a single-family home that would not otherwise be subject to discretionary review.

While the review and permit processing procedures and time frames are comparable to those in other coastal cities, Encinitas continues to improve its procedures. The City has implemented a number of improvements to the review process, including upgraded permitting software, improved coordination and communication among departments, weekly pre-development meetings with prospective developers, periodic distribution of a newsletter to the development community, and improved access to zoning and development information via the City's website and informational brochures at City Hall. Housing Element Program 3E calls for the City to continue to improve the efficiency of the development review process for housing projects.

Table B-45: Approximate Processing Times	
Process/Application	Time
Conditional Use Permit	6-18 months
Design Review	6-18 months
General Plan Amendment	1-2 years (if part of Local Coastal Program then an additional 18 months to several years)
Environmental Impact Reports	1-2 years
Plan Check/Building Permits	2-6 months (varies by type of permit)
Variance	4 months to 1 year
Zone Change	1-2 years (if part of Local Coastal Program then an additional 18 months to several years)
Source: City of Encinitas Planning Department, 2018.	

### 8.8.1 Design Review

The design review process is regulated by Municipal Code Chapter 23.08 and adopted Design Guidelines. While there are some exceptions to the design review requirement, such as limited additions and remodels, a single home on a pre-existing legal lot, walls and fences under six feet high, and so forth, all other new development is subject to the regulations. Design review determinations are either made by the Planning Director or Planning Commission (see "Administrative Review" and "Discretionary Review" discussion below). Most new residential developments will be reviewed by the Planning Commission. In order to gain approval, the design review regulations require that the decision-maker must find that the project:

- Is consistent with the General Plan, a Specific Plan or the Municipal Code;
- Is substantially consistent with the Design Review Guidelines;
- Would not adversely affect the health, safety, or general welfare of the community; and



- Would not tend to cause the surrounding neighborhood to depreciate materially in appearance or value (EMC 23.08.080).

To guide developers in designing their projects and assist staff and the Planning Commission in evaluating them, the Design Guidelines contain detailed policies covering various aspects project design: site planning, grading and landform, circulation, parking and streetscape, architecture and signage, lighting, and landscaping. Some guidelines are mandatory, i.e., the project shall incorporate certain features into their designs. For example, “barrier-free design amenities for the disabled shall be provided.” Most guidelines, however, are presented in the more suggestive terms “should”, “should not”, “encouraged” and “discouraged”. The guidelines are intended to articulate community vision about how development is executed while at the same time provide enough flexibility to encourage creativity and cost-effective design. However, under the Housing Accountability Act, a housing development may be denied or reduced in density only if it violates objective standards.

In addition, each of the adopted Specific Plans has written guidelines tailored to the design and character issues unique to those areas. The written guidelines enable prospective developers to understand how their projects will be evaluated and enable them to design accordingly, minimizing costly redesigns and delays in the review process.

A concern has been expressed that design review finding No. 4 (above) could be used to deny an affordable housing project (although studies show that affordable housing does not reduce property values). This would not be permitted by the Housing Accountability Act. However, while there is no known case in Encinitas that a residential project was denied on the basis that it may “tend to cause the surrounding neighborhood to depreciate materially in appearance or value”, Housing Element Program 3B states that the City will modify this finding to remove references to “value depreciation” when considering the character of the surrounding neighborhood.

### **8.8.2 Building Permit**

The construction of one single-family residence outside the Coastal Zone, which meets the requirements of a custom home and complies with all other City ordinances and regulations generally does not require any level of discretionary review. The permit process is a building permit application and takes approximately two to three months for approval. The building permit process follows these steps:

1. Filing a Building Permit application and payment of fees;
2. Submitting Construction Plans for Building and Grading Permits;
3. Resubmit Construction Plans for re-review as needed; and
4. Permits Issued.

All residential projects, whether or not they require design review or a coastal development permit, follow the building permit process before receiving final building permit approval.

### **8.8.3 Coastal Development Permit**

New development in the City’s Coastal Zone requires a Coastal Development Permit. In 1994, Encinitas assumed permitting authority from the California Coastal Commission through an adopted Local Coastal Program (LCP). To reduce overlapping requirements, the LCP allows processing of coastal development



permits concurrently with other reviews such as design review and conditional use permits. However, in the case of individual single-family home construction, coastal permit requirements can add two months to the review process.

The City is seeking to exempt certain types of development in specific locations (including individual homes) from the Coastal Development Permit process, provided there are no environmental constraints or coastal access issues.

#### **8.8.4 Administrative Review (Director Approval)**

Construction of residential projects may require Administrative Review. The Administrative Review process involves submitting an application, staff and public review, and finally Planning Director approval. The Administrative Review process takes between three to six months for approval. Administrative Review decisions can be appealed to the City Council, which can lengthen the review process. The following types of projects require Administrative Review:

- Tentative Parcel Map (four lots/units or fewer)
- Boundary Adjustment
- Certificate of Compliance
- Minor Use Permit
- Minor Variance
- Condominium Conversion (four units or fewer)
- Administrative Design Review

#### **8.8.5 Discretionary Review (Planning Commission Approval)**

Residential projects that require Planning Commission review involve submitting a Discretionary Permit Application, staff and public review, and final approval by the Planning Commission. The Discretionary Review process generally takes six months up to a year for approval. Planning Commission determinations can be appealed to the City Council, which can lengthen review time. The following types of projects require Planning Commission approval:

- Tentative Subdivision Map (five or more lots/units)
- Major Use Permit
- Major Variance
- Condominium Conversion (five or more units)
- Design Review

## 9 Environmental and Infrastructure Constraints

The City of Encinitas is bounded by the Pacific Ocean on the west. Coastal bluffs at the City's northern boundary overlook the portion of Batiquitos Lagoon that falls within Encinitas, and includes lands south and southeast of the lagoon, including Indian Head Canyon, Magdalena Ecke Park, the slopes above Green Valley, and habitat north of Encinitas Boulevard between El Camino Real and Rancho Santa Fe Road. At the City's southern perimeter, slopes and bluffs overlook San Elijo Lagoon. Escondido Creek, a major east-west waterway, traverses the southern boundary of the City and ultimately empties into the San Elijo Lagoon.

Portions of Encinitas are exposed to a variety of environmental hazards and resources which may constrain development. These constraints include topography, flooding, landslides and seismic hazards, and areas with natural and cultural resources. For example, areas of Olivenhain and the Sphere of Influence area beyond the City's eastern limits include slope areas greater than 25 percent and are characterized by the presence of biological habitat. A number of residential properties along the coast in Old Encinitas and Leucadia are affected by the presence of coastal bluffs and erosion. The Zoning Code has defined a Special Purpose Overlay Zone that recognizes

the need for additional site development considerations in these areas before future development may proceed. These constraints were taken into account as part of the residential capacity figures that were generated as part of the site inventory analysis.

In Encinitas those areas planned for higher density are less subject to environmental limits and hazards. Conversely, those areas that are more constrained are planned for lower density to lessen the potential for unacceptable impacts on the environment. Approximately 6.1 percent of the land cannot be developed in Encinitas due to physical or environmental constraints such as steep slopes, floodplains, wetlands, or public ownership.

The City of Encinitas has evaluated the availability of infrastructure from a Citywide and site-specific standpoint. In determining the feasibility of sites to accommodate the City's RHNA needs, infrastructure provision was a determining factor. Based on the site inventory analysis contained in Appendix C of this Housing Element, the current location of infrastructure facilities, adjacent to, or on the parcels within the inventory of sites, do not pose a constraint to development. All of the lower income sites are adjacent to existing public roads that contain infrastructure facilities.

A Final EIR was certified for the Measure T Housing Element. As a complement to this Housing Element update, an Environmental Assessment under Government Code Section 65759, in the form of a draft Supplemental EIR, was conducted to evaluate any additional potential impacts to the environment. The Environmental Assessment will become part of the General Plan when the Housing Element is adopted.

### 9.1 Geologic and Seismic Hazards

Southern California is considered as one of the most seismically active regions in the United States because the faulting is dominated by the compression regime associated with the "big bend" of the San Andreas Fault Zone. The San Diego region is transected by several sub-parallel, pervasive fault zones, as well as smaller faults. The City of Encinitas is located in the southern part of the Peninsular Ranges geologic Province: an area that is exposed to risk from multiple earthquake fault zones. The San Andreas Fault, which runs from Baja, California to San Francisco, is approximately 100 miles east of the City and poses a

potential risk for much of the San Diego region. However, for the City the highest risks originate from nearby zones such as the Elsinore Fault zone, the Rose Canyon Fault zone and other offshore faults. Each zone has the potential to cause moderate to large earthquakes that would cause ground shaking in Encinitas and nearby communities.

The major onshore and offshore fault zones present some relative seismic risk to the City, similar to most Southern California communities. In the early 1990s, the City conducted a survey for unreinforced masonry buildings in Encinitas and identified structures vulnerable to earthquake forces. The survey provides 20 site addresses in the City that are subject to risk, as well their estimated occupancy information and building condition. None of the sites for lower income households identified in the site inventory analysis are at risk due to the presence of unreinforced masonry buildings.

Although future development constructed under the Housing Element would involve the construction of new residential structures in a seismically active area, the potential hazards would be less than significant because of the existing regulatory framework related to seismic safety. Sites containing greater than a 25 percent grade would be at a greater risk for damage during an earthquake. Accordingly, the site inventory analysis reduced the expected residential production on sites for lower income households with more than a 25 percent grade, and geologic and seismic hazards do not prevent the City from providing adequate sites.

## **9.2      Flooding**

Flood zones are geographic areas that the Federal Emergency Management Act (FEMA) has defined according to varying levels of flood risk. These zones are depicted on a community's Flood Insurance Rate Map (FIRM) or Flood Hazard Boundary Map. Each zone reflects the severity or type of flooding in the area. Portions of the City are located within a FEMA 100-year or 500-year flood zone. The low-lying areas along the floodplains of Cottonwood Creek, Encinitas Creek and Escondido Creek, as well as their tributaries, can experience flooding during severe rain seasons.

In addition, portions of the City are also within a dam inundation area. Dam inundation areas are downstream areas subject to flooding or other effects during large storm events. Dam inundation areas are also subject to the uncontrolled release of an upstream reservoir as well as events leading to breaks in levees or dams. The areas of potential dam inundation are generally along the Cottonwood Creek, Encinitas Creek and Escondido Creek; portions of tributary stream channels; and the low-lying areas near the coastal portions of the plan area. Based on historical data and the high level of development in portions of the dam inundation hazard zones, should a dam failure occur, the flood hazard would be serious. However, the risk of dam failure is considered to be low.

The City does not consider flooding as a constraint to development due to federal requirements. There is one of the identified lower income housing sites (Strawberry Fields) within the FEMA 100-year flood zone. The acreage for the portion of the site affected by the 100-year flood zone has been removed from the net acreage. The net acreage reflects that constraint.

## **9.3      Wastewater Capacity**

The City's wastewater collection division is responsible for maintaining the existing sewer infrastructure within the City. The City sewer maintenance includes cleaning sewer lines, clearing blockages, repairing

breaks, and responding to emergencies. Sewage is conveyed through pipes to either the Encina Wastewater Authority (EWA) in Carlsbad, north of Encinitas, or to the San Elijo Water Reclamation Facility in Cardiff, south of Encinitas. The EWA plant currently treats approximately 43.4 million gallons of sewage per day from Encinitas, Carlsbad, Vista, Leucadia Sewer District, Vallecitos Water District, and Buena Sanitation District. Additionally, the EWA also produces recycled water for use in irrigation. The EWA also owns approximately 37 acres adjacent to the existing plant for potential future expansion although no current plans for expansion are planned at this time.

The San Elijo Water Reclamation Facility currently has a capacity to treat 5.25 million gallons of sewage per day for the communities of Cardiff, Solana Beach, Rancho Santa Fe and Olivenhain. The facility is also permitted to discharge up to 2.48 million gallons of recycled water to customers per day. There are no current plans for plant expansion.

Under the City's 2012 Sewer Master Plan, the City is allocated approximately 3.8 million gallons of sewage per day by the two sanitary districts that provide sewer service. Wastewater flow projections based on full build-out of vacant and underdeveloped parcels through 2035, plus assuming that all existing septic users connect to the City's sewer system would equal approximately 3.24 million gallons of sewage per day, which is within the capacity allocated to the City for sewage treatment. Therefore, the City of Encinitas's sewer infrastructure has capacity for the full buildout of the City, and sewer infrastructure does not place a constraint on development.

## **9.4 Water Supply**

The City of Encinitas currently has three sources of water: raw water from the San Diego County Water Authority (SDCWA) through the State Water Project, treated water from the SDCWA, and runoff from the Lake Hodges watershed east of the City. This treated water is conveyed through pipes to the City's customers for residential, public, commercial and industrial uses. Fire flow capacity is also provided within the water system network for the City.

The San Dieguito Water District (SDWD) is a subsidiary of the City of Encinitas and provides water to approximately 40,000 residents in the communities of Leucadia, Old Encinitas, Cardiff-by-the-Sea and New Encinitas. The distribution system consists of approximately 170 miles of pipeline, a 2.5 and 7.5 million-gallon reservoir, and over 11,000 water meters. Approximately 30 percent of the District's water is from local sources, and the remainder (70 percent) is imported. The SDWD receives local runoff water from Lake Hodges and imported raw water from the San Diego County Water Authority. Both sources are treated at the R.E. Badger Filtration Plant located in Rancho Santa Fe. The plant is jointly owned with the Santa Fe Irrigation District. Treated water from the San Diego Water Authority can also be delivered directly to the District.

The Olivenhain Municipal Water District (OMWD) provides service to the remainder of the City. The OMWD is an independent public agency addressing the water needs of up to 40 percent of Encinitas residents. OMWD primarily serves the City's eastern half, including all or a part of the communities of Olivenhain, New Encinitas, Leucadia and Cardiff-by-the-Sea. OMWD delivers approximately 6.27 million gallons per day to 9,420 water meters in Encinitas. In addition to portions of Encinitas, OMWD also includes portions of the cities of Carlsbad, San Diego, Solana Beach, San Marcos, and the County of San Diego. Overall, OMWD includes over 48 square miles (31,123 acres) and serves a population of 68,000 and has over 26,600 meters in service. Based on OMWD's 2009 Comprehensive Annual Financial Report,

the distribution system also includes a recycled service area of 10,567 acres (including 46 miles of recycled water main). Approximately 94 percent of the treated water delivered by OMWD is treated at the David C. McCollom Water Treatment Plant, located within the community of Elfin Forest. Water treated at this facility is imported raw water from the SDCWA (blend of water from the Colorado River and the State Water Project). The remaining 6 percent of the treated water treated at SDCWA's Twin Oaks Valley Water Treatment Plant in San Marcos and at the Skinner Water Treatment Plant located in southwestern Riverside County.

Water Master Plans for the San Dieguito Water District and Olivenhain Municipal Water District provide an assessment of the existing water system conditions and demands. The plans concluded that the overall system is adequately sized to accommodate future 2030 growth demands. In the San Dieguito Water District, the current average day demand for the district is 6.63 million gallons per day. The projected average future 2030 demand is 7.74 million gallons per day. In the Olivenhain Municipal Water District, the average daily water demand was 20.5 million gallons per day and the annual average basis of water demand in 2030 is 27.9 million gallons per day. The Master Plans identified areas for improvement that were then included into the future planning horizon CIP. These CIP upgrades include pipeline system upgrades, valve replacement, meter replacement and treatment plant upgrades.

Taking into account conservation program, maintenance of current adjudicated surface water rights, recycled water supply, and additional imported water from SDCWA, SDWD and OMWD anticipate having sufficient water supply to meet current and future customers' needs through at least 2035. Therefore, water supply does not place a constraint on development.

## 9.5 Stormwater Management

The City of Encinitas Public Works Department is responsible for maintaining the storm drain infrastructure through comprehensive programmatic efforts. The Stormwater Management Division (Clean Water Program) of the Engineering Department is responsible for enforcing regulatory mandates related to surface water.

The Clean Water Program has two goals: maintain water quality and protect beaches, lagoons and creeks from illicit discharges, sewage spills and other pollutants. In order to maintain high stormwater quality (and reduce/eliminate non-storm water discharge to the storm drain system) and to implement controls to reduce pollutants the City implements several activities including:

- Sewer spill prevention
- Preventing illicit discharges to the storm drain system.
- Litter, trash and debris removal
- Commercial runoff containment at gas stations and restaurants
- Public education
- Restoration of local waterways
- Storm drain system, biofilter, detention basin and channel maintenance

- Construction site runoff reduction
- Ultra Violet Treatment Facility at Moonlight Beach

Future development and redevelopment projects are required to implement the measures outlined in the City's Stormwater Manual, March 2010, and Best Management Practices Manual Part I and II. The Stormwater Manual includes requirements for the control measures to reduce stormwater pollutants to the maximum extent practicable for new development and redevelopment.

The City of Encinitas has an extensive storm drainage system that consists of:

- 100 miles of storm drain pipe
- Over 2,500 catch basin boxes
- Over 90 miles of channels

These facilities intercept stormwater runoff and convey it from the eastern part of the City to the west where it discharges into either the San Elijo Lagoon, south of the City Batiquitos Lagoon, north of the City. The coastal area of the City discharges through several outfalls to the ocean.

Although development of housing to meet the City's RHNA would increase impervious surface coverage in the City, runoff control under the City's standards would help to ensure that any increased stormwater flow would not exceed the capacity of the City's storm drain system. Therefore, stormwater management does not place a constraint on development.

## **9.6 Fire and Emergency Services**

The Encinitas Fire Protection Department serves residents of the coastal, rural and agricultural communities of Encinitas, Olivenhain, Leucadia and Cardiff-by-the-Sea. The County of San Diego's County Service Area (CSA) 17 consists of Del Mar, Del Mar Heights, Solana Beach, Encinitas, Rancho Santa Fe and portions of Elfin Forest. Emergency medical services are provided by the Department and San Diego Medical Services Enterprise (SDMSE) within CSA 17.

There are six strategically located fire stations in the City of Encinitas, which allow firefighters and paramedics to provide timely responses to emergencies and to efficiently respond to volume demand. Five of the six stations house an engine company consisting of three fire suppression personnel, a fire engine, as well as various other emergency apparatus for specialized responses. In 2014, the Department's average response time for the city as a whole was 4 minutes and 35 seconds. The Insurance Services Organization (which rates fire departments based on the effectiveness of their response capabilities) gave the Department an ISO rating of 3, which is the third best among North County fire divisions and has resulted in lower homeowners insurance premiums for Encinitas residents. In addition to fire suppression and prevention, the Encinitas Fire Department provides safety marine and disaster preparedness services. City lifeguards provide beach safety for four miles of Encinitas beaches and responds to calls for wild life rescues, cliff rescues and other accidents in local lagoons and rivers. In 2014, the Encinitas Fire Department responded to 5,866 service calls within the City limits, from minor incidences and first aid to rescues. The City's Community Emergency Response Team (CERT) program trains volunteers in skills to assist in large scale regional disasters. The City now provides volunteer trainings so CERT volunteers are ready and able to assist in emergency situations. It is not anticipated that any new fire safety or

emergency service facilities would be required as a result of development on the housing sites. Therefore, this does not place a constraint on development.

## **9.7 Police Services**

The City of Encinitas contracts with the County of San Diego Sheriff's Department (Sheriff's Department) to provide police/law enforcement services to the City. In addition to the City of Encinitas, North Coastal Station provides a wide range of municipal law enforcement services to the cities of Del Mar, Solana Beach and Rancho Santa Fe. Services include the following:

- Helicopters;
- A bomb/arson squad;
- A Special Enforcement Detail team;
- Canine units;
- Modern crime lab facilities; and
- One of the nation's most modern law enforcement radio communications networks.

There are no current plans for new facilities. There have been discussions of a possible expansion; however, a formal plan is not in place. As of 2016, the Encinitas Station staffed 42 police officers and 12 additional personnel. It is not anticipated that any new police facilities would be required as a result of development on the housing sites. Therefore, this does not place a constraint on development.

## **10 Housing Resources**

The extent of housing needs in a community often exceeds the resources available. This section of the Housing Element provides an overview of resources available to the City.

### **10.1 Residential Sites Inventory**

Appendix C contains a detailed list of vacant and non-vacant properties to meet the City's RHNA need through the 2013-2021 planning period. The following discussions summarize the City's site inventory and discuss the City's experience with the redevelopment of non-vacant sites.

### **10.2 Above Moderate and Moderate Income Sites**

For the 2013-2021 planning period, the City's RHNA allocation is 413 dwelling units for moderate income sites and 907 dwelling units for above moderate income. As of December 31, 2017, 4 moderate income dwelling units and 784 above moderate income dwelling units, including accessory dwelling units, had received building permits during the projection period beginning January 1, 2010. Another 108 above moderate income units had been approved by the City, for a total of 892 above moderate income units constructed or permitted. Accounting for the new construction and approved projects and the estimated accessory dwelling units (ADUs) made available to moderate income households during the planning period, the City's remaining RHNA allocation is 355 moderate income dwelling units and 15 above moderate income dwelling units.



New growth is expected primarily in two adopted specific plan areas: Downtown Encinitas and North 101 Corridor, along with other existing residential neighborhoods. Within these preserved communities 624 additional moderate-income and above moderate income units can be accommodated in mixed-use and residential-only sites.

### 10.2.1 Analysis of the City's Existing Capacity and Zoning

The Housing Element must demonstrate the City's ability to accommodate the RHNA either through production or the availability of properly zoned land that can accommodate additional growth. The Measure T Housing Element, which was extensively reviewed at numerous public hearings, contained an inventory of all sites suitable for moderate and above moderate income housing in its Table A-1. Appendix C in this Housing Element includes those sites listed in Table A-1 which have not been developed in this planning period; can accommodate at least 2 additional units; and continue to be zoned appropriately to accommodate moderate or above moderate-income housing. **Table B-46** below summarizes the capacity of the sites listed in Appendix C, which can accommodate 523 moderate-income units (compared with the need to accommodate 355 units) and 177 above moderate-income units (compared with the need to accommodate 15 additional units).

Table B-46: Residential Capacity for Moderate and Above Moderate Income Sites					
	Max Density	Minimum or Average Density	Number of Parcels	Acreage	Potential Units
Moderate Income Sites – Mixed Use					
D-CM1	n.a.	34 (15)	16	12.27	133
D-CM2, N-CM1, N-CM2, N-CM3, N-CRM1	25	20 (15)	37	17.81	125
D-VCM	18	15	1	0.67	5
D-OM, N-CRM2	15	12	4	2.60	14
<i>Subtotal</i>			58	33.35	277
D-R25, N-R25, R25	25	20	10	1.69	31
N-R20	20	15	13	3.66	69
D-R15, N-R15, R15	15	12	6	2.74	30
R-11	11	8.8	38	15.62	116
<i>Subtotal</i>			67	23.71	246
N-R8, R8	8	6.4	10	8.86	52
R5	5	4	3	5.52	21
N-R3, R3	3	2.4	14	41.23	92
RR2	2	1	2	13.05	12
RR1	1	.5	0	0	0
RR	.5	.125	0	0	0
<i>Subtotal</i>			29	68.66	177
<b>Total</b>			154	125.72	700

The following discussion describes how site capacity was determined for the moderate and above moderate-income sites.



### 10.2.2 Reasonable Capacity Assumptions

Reasonable capacity was calculated for each site based on environmental constraints, site size, zoning requirements, and average density achieved in projects with similar zoning. Deductions were made as applicable for site constraints, such as steep slopes and potentially limiting known environmental factors.

### 10.2.3 Capacity on Mixed-Use Sites.

There are a number of mixed-use commercial districts that permit residential uses as part of a mixed-use development. Underutilized commercial sites that permit residential development are a key component of the housing sites inventory. These sites were evaluated by multiplying the parcel size by the minimum density for that zoning designation. Sites in mixed-use areas (Downtown and North 101 Specific Plan Areas) where there is no density maximum were assumed to develop at 15 units per acre based on projections of possible development given Proposition A's height limit. In these zones, a factor was then applied a factor based on the likelihood that they would redevelop, as explained below. Redevelopment in these areas is encouraged by available exemptions under the California Environmental Quality Act for residential and mixed-use projects consistent with specific plans (see Section 10.3.2 below).

While not all underutilized properties in the two Specific Plan areas will redevelop with a residential component, market studies in the San Diego region have indicated that future growth will most likely be spearheaded by mixed-use developments. Accordingly, this Housing Element assumes that approximately 50 percent of sites in the DCM-2, D-VSC and D-OM Zones of the Downtown Encinitas Specific Plan, as well as the N-CM1, N-CM2, N-CM3, N-CRM1, and N-CRM2 Zones of the North 101 Corridor Specific Plan, will be redeveloped as mixed-use projects, with a residential component. This yields a total, realistic capacity of 144 potential units that can be credited to this planning cycle and applied against the RHNA obligation for moderate- and above moderate-income household opportunities.

Different methodologies were employed in the DCM-1 Zone. Based on the analysis, it can be reasonably concluded that 75 percent of the sites listed in the DCM- 1 Zone inventory are reasonably expected to provide viable, short-term opportunities. This "discounting" methodology yields a total, realistic capacity of 133 potential units that can be credited to this planning cycle and applied to the moderate-income category (at 15 units per acre).

## 10.3 Development of Non-Vacant Sites and Converting to Residential Uses

Some non-vacant sites are designated as sites suitable to meet the City's RHNA. Appendix C includes detailed discussions of each lower income site, as well as letters from property owners of non-vacant sites who propose residential development of those sites. For non-vacant moderate-income sites, existing uses and other information is included.

State law requires that the City analyze the extent to which existing uses may constitute an impediment to additional residential development, the City's past experience with converting existing uses to higher density residential use, current market demand for the existing use, analysis of leases that would prevent redevelopment of the site, development trends, market conditions, and regulatory or other incentives to encourage redevelopment. This section discusses each of those factors.

There are number or pending and approved projects that illustrate the viability of developing non-vacant sites in Encinitas. These include subdivision of land and recycling of older uses with standalone residential

and mixed use residential uses. This discussion and the previous section illustrate the extent of market activity for infill residential development

The City has a large inventory of past development projects and current development applications on infill properties. Table B-47 is a sample of existing applications under review.

**Table B-47: Infill Development Project in Review – Infill Properties**

Case No	Project Name	Description	Zone
15-222	Weston Density Bonus	48-lot subdivision	R3
18-074	Lakes Subdivision	Nine-lot subdivision	RR1
17-280	Vulcan 9 Density Bonus	Nine Condominium Unit Subdivision	NR20
18-001	735 Santa Fe Drive	14-lot subdivision	R8
16-135	Quail Meadows Density Bonus	52-lot subdivision	R3/R5
17-114	The Summitt at Lake Drive	3-lot subdivision	RR1
17-291	Evergreen TPM	3-lot subdivision	R8
16-094	Engert Subdivision	2-lot subdivision	R3
18-020	Coastal Pacific Group Subdivision	2-lot subdivision	R8
17-032	Osuna Tentative Parcel Map	3-lot subdivision	R3
18-055	Rippy Tentative Parcel Map	2-lot subdivision	R3
17-296	Colony Terrace Subdivision	2-lot subdivision	RR2
17-107	Garrett Tentative Parcel Map	2-lot subdivision	RR2
17-206	Massie Parcel Map	2-lot subdivision	RR2
17-071	Summitt Condo Map	Three Condominium detached single family	R11
17-041	Roden Duplex Condo	Convert existing duplex to condominium	R11
16-250	Ocean View TPM	4-lot subdivision	R3
17-183	4th Street Four	4-unit (Two Townhomes on two separate lots)	DR-15
17-089	West A Street Duplex	Two condominium units	R15
17-134	141 Quail Drive	4-lot subdivision	R5
14-244	Granite Homes 4-lot subdivision	4-lot subdivision	RR1
17-197	Kunzik Mixed Use	Five Residential Condominiums	NCM1

Source: City of Encinitas, 2018

Additionally, the City has a number of recently built mixed use and/or residential infill projects that illustrate the market's willingness and the city's approval of infill mixed use and residential uses. A sample of these projects includes:

- **Pacific Station** – a successful mixed use development with rental and ownership opportunities complimented with commercial uses. Former use was commercial/industrial
- **The Lofts** – a mixed use project with residential and commercial uses in a vertical mixed use setting.
- **1200-1212 Coast Highway** – Infill mixed use residential with ground floor retail. Former use was commercial.
- **Capri @ 960 South Coast** – an infill mixed use development with residential development on Pacific Coast Highway. Former use was commercial.
- **H Street/ South Coast Highway** – an infill mixed use project with residential commercial and retail. Former use was commercial.
- **Harrison Project** (under construction) – mixed use commercial/residential development.

The City of Encinitas has a good track record and history of underutilized sites recycling to accommodate additional homes. In the DCM zones, at least 12 mixed use projects have been developed involving reuse of existing commercial sites, with densities as high as 47 units per acre. In terms of trends of *underutilized* sites recycling in the City, Encinitas has had on average 99 new housing starts in recent years with a considerable spike occurring after the trough of the market in 2011. Overall, building on previously vacant or subdivided land demonstrates a high degree of land turn-over or repurposing land in a built-out community.

Because the City of Encinitas is approaching “built out” conditions, infill development, especially in the downtown and Highway 101 areas, continues to be the primary method by which land is recycled. One of the primary concerns is the ability of the market to absorb new residential and mixed use development on sites with current uses. As stated above, the number of projects occurring on infill sites in the city is an excellent prognosis of market trends in Encinitas. The City, based on a review of recent development activity and trends, believes there are a few primary areas by which development on infill sites may potentially constitute an impediment to additional residential development:

1. **Viability of Existing Commercial Uses** – The primary areas of infill development are in existing traditionally established commercial zones. Many of these areas have experienced a general change from traditional auto-oriented commercial development to activities and uses that can be considered mixed use in nature. Adoption of specific plans in the Highway 101 Corridor and Downtown demonstrate the general trend to a mixed use, more urbanized infill environment. Most of the new development in this corridor can be described as conducive to a mixed use, residentially-supportive environment.

Based upon local historical observation by City staff, the existing ownership patterns in the City can be generally described as long-term historical ownership. Many owners of land and property in the community have been present for many years and in some cases generations. What this

implies is long-term ownership of properties generally feature lower debt service on existing land. Multiple generations of ownership create conditions where, although land values may be at a premium, individual development viability may be positively influenced by the minimization or lack of debt service on land.

Because of this observation, the City believes infill development will continue to be the primary type of development that will occur in the City. Additionally, as the market continues to improve, redevelopment will continue to play a role in expanding residential opportunities in the City.

2. Land Values – One of the primary considerations for the viability of infill uses on mixed use sites is the cost of land in the City. There are significant variations in land costs depending on the geographic location in the City. What this means is that those areas that experience higher land costs should provide the maximization of development potential on individual sites. The City understands that coastal communities will always exhibit higher land costs. Therefore, methods to contribute to higher levels of land utilization with the introduction of housing opportunities as additional development options will contribute to the heightened viability of development. Changes in land use development regulations, including the permitting of residential and residential mixed use development in areas that are traditionally commercial-only is one method to achieve this. The City has continued to see applications for residential development on infill sites, as evidenced by the recently approved development applications and permits.

Another aspect to consider in the land use analysis, is land to improvement value. The idea is the potential for a relatively small amount of land to hold a relatively high number of structures, as the same piece of land can contain a single-family home with one set of tenants or a multiplex consisting of two, three or even four units, creating the possibility of doubling, tripling or even quadrupling the amount of rent that can be collected from the property. Redevelopment is likely to occur in those instances where an underutilized site has a high land value and relatively low improvement value. In terms of the basic relationship between “land” as a scarce resource and “choice”, there is a great opportunity cost to the property owner since the potential gain from the “highest and best use” alternative exceeds the alternative of not redeveloping. The City has focused its provision of lower income sites on sites that are vacant or highly underutilized. Those sites considered non-vacant, but highly underutilized have favorable comparison of existing improved value versus land value. And for those sites exhibiting existing “uses”, many of them are derelict, unused or vacant structures. This means the future improvement costs will not be complicated by the significant removal, tenant relocation and or repurposing of existing structures on a site.

The City understands lower income and moderate income unit production is the primary need in the community and has provided and will provide through the city’s rezone program the establishment of land use standards and provisions that encourage and facilitate the development of multiple family and other development types affordable to moderate and lower income households. Much of these opportunities are on land defined as vacant and therefore are excellent candidates to provide opportunities for housing need in the City.

3. Alternatives to traditional infill development – the City understands that existing land use policy can be complimented by various strategies to encourage further development on existing built areas. These include Accessory Dwelling Units and Inclusionary Housing provisions. This is another method for utilized existing developed land for additional infill opportunities. The City has recently development a revised Accessory Dwelling Unit policy that furthers the ability of existing “built out” parcels to accommodate additional residential development that is affordable to lower and moderate-income households. Additionally, the City is currently studying its inclusionary housing policy to further encourage residential development on infill properties by providing inclusionary housing development by providing additional development capacity on a site. While this analysis is in its early stages, the development community is directly involved in its development. Therefore, future policies and programs will have considered the needs of the development community in its future implementation.
4. Height Standards – the current height limitation of 2 stories places a significant constraint on the feasibility of moderate and lower income units. Because of this height limitation, other development factors such as setbacks, lot utilization, parking, open space and other factors reduce the “box” in which development can occur on a site. The city has had extensive discussion about the height issue at a number of Housing Element Task Force Meetings, City Council Study Sessions and consultation with stakeholders. The general consensus is that three story heights would be more appropriate and conducive to the development of affordable housing. This consideration is part of the planned rezoning to accommodate remaining RHNA need.

### 10.3.1 Lease Analysis

One of the primary concerns for redevelopment/infill development on non-vacant sites is the existence of leases that may prevent land development within the planning period. While state law requires the City to consider lease terms in evaluating the use of non-vacant sites, the City does not have access to private party lease agreements or other contractual agreements amongst private parties. However, no owner or tenant has opposed the inclusion of a property based on the existence of a long-term lease. For non-vacant sites proposed to be upzoned as lower income sites, many property owners have provided a letter, included in Appendix C, either stating that leases are short term or otherwise stating that development can be accomplished within the planning period. Owners and developers have also expressed to the City that in most cases existing leases are not per se a barrier to development. Rather, they are factored into land costs.

There are currently very favorable market conditions for residential and residential mixed-use infill development in the City of Encinitas. This is exhibited by the number of development applications for infill development in recent years. The City believes this pace of activity is very healthy based upon historical trends. Because of the value of land in the community, mixed-use and higher density residential products continue to show noticeable activity in the City. The City believes this trend will continue for the long term.

### **10.3.2 Regulatory Incentives**

Many of the developments of infill residential uses have utilized density bonus provisions, so it is very common for infill residential projects to take advantage of density bonus provisions to construct units affordable to lower income families.

The City understands that existing land use policy may not necessarily contribute to the development of housing. Therefore, regulatory incentives can be helpful in bring housing units to the market.

Infill residential development is largely permitted in areas with adopted specific plans. Adoption of a specific plan allows residential and mixed-use development projects in the City to utilize two statutory exemptions under the California Environmental Quality Act: residential projects consistent with a specific plan (Government Code Section 65457) and mixed use projects in a transit priority area consistent with a specific plan (Public Resources Code Section 21155.4). This incentive may enable faster review of projects.

The city is limited in its discretionary funding resources, so fee waivers and other monetary concessions are not a standard practice in the City. The City has evaluated and updated its fees recently to reflect market considerations and internal cost recovery. While fee deferral, waivers or other modifications are an option for the city, it will take additional study to determine what is appropriate in Encinitas.

Land use incentives in for infill residential include a 'permit ready' program underdevelopment that will include pre-approved designs for ADUs with expedited processing. The City has also sponsored legislation to make it easier to legalize ADUs built without building permits.

Another method for incentivizing new development is the ability to sub-divide land. Creating lots from subdividing one lot from another creates separate land title for additional housing development activity.

While resources at this time are not conducive to monetary incentives/concessions, the city believes continue exploration is necessary to identify incentive opportunity. Programs 3A, 3B, 3E and 3F are expressly written to address these issues.

### **10.3.3 Current Market Demand for Existing Uses**

If current socio and demographic trends continue, the demographic profile of the San Diego region will change dramatically by the middle of this century. According to draft population forecasts developed by SANDAG (Series 13), the region's population will rise to 4,068,759 million in 2050, from 3,095,313 million in 2010. This represents a 31.4 percent increase. Forecast modeling also reveals that the region's fastest-growing population overall will be its retirement or senior-aged community. Based on the Series 12 modeling (2010), the swell in the 65 years-and-older group will lead to an increase in the proportion of the population in older age groups, with the share of those 65 years and older rising 143 percent and the number of people older than 85 projected to increase by 214 percent by year 2050. Nationwide, a lot of attention has also been paid to the baby boomer generation, those born between 1946 and 1964. This large group of Americans currently totals 76 million, and as they age, their changing housing demands and choices create changes in housing markets.

A growing elderly population generates demand for housing near commercial goods and services, amenities, and where older adults can get what they need without getting in a car. Also, typically, income decreases with age this reflects a willingness to live in smaller spaces to be able to afford their lifestyle. As boomers start to retire, many more will be seeking more of a senior-friendly lifestyle and housing.

Although many will initially expect to stay in their existing homes and communities, others will choose to downsize homes and/or seek more service-rich environments. One development association, the Urban Land Institute (ULI), contends that these demographic factors will lead to a population that will want to adapt to smaller, more efficient living units in areas more convenient to work, shopping, recreation and entertainment (ULI, *Emerging Trends*, 2011). Other documents and publications have also indicated that smaller units near transit services are expected to be the trend (Sources: Builder Online, American Public Transportation Association, National Association of Realtors®, Journal for Public Transportation, Real Estate Economics, etc.) Nationally, America's suburbs are experiencing a shift away from the development patterns of previous decades, which were almost entirely auto-centric. Evolving demographics and preferences held by specific demographic groups, or generational cohorts will drive the change. And it isn't just the baby-boomer generation. A February 2013 article posted on ULI's website, *"How to Make Suburbs Work Like Cities"*, and discussed at a Housing Opportunity 2013 Conference, reported that Generation Y (an 80 million-member group that is just entering the housing market), tends to favor the convenience and choices provided by urban-style environments and apartment- like mixed-use housing; and not the suburb environments that they grew up in. In response to this growing trend and demographic swing, local agencies are looking at innovative solutions to create unique places where people can live and work. This will fundamentally reshape our cities in terms of transport infrastructure and density to meet everyday shopping and lifestyle needs within a single neighborhood.

Additionally, with the increasing amount of on-line shopping, many retail areas are experiencing increased vacancies. Self-driving cars may substantially reduce the need for parking. While it is difficult to predict the extent to which these long-term trends will affect particular sites, given high demand for housing and less demand for retail, it is likely that many owners over time may desire to construct residences on sites now used for retail stores.

#### 10.3.4 Development Trends

Land availability and demographic trends are reshaping the location and types of residential development in urban areas of the San Diego region. Policy direction at the state, regional and local levels coupled with these trends, created high demand for housing. The revitalization and reuse of existing underdeveloped areas into multifamily and mixed-use projects at higher densities is the primary way in which housing needs will be met in the San Diego region. As a coastal community in the northern San Diego region with little undeveloped and unconstrained land yet in need of more housing, the regional influences pushing revitalization and reuse for accommodating new housing are expected to be mirrored in Encinitas. Many of the proposed sites for Encinitas involve revitalization and reuse, consistent with regional policies and trends backed by market analysis. There is also a practical need to rely in part on these types of sites since undeveloped and unconstrained sites are largely lacking in the city.

The site assessment methodology for evaluating parcels listed in Appendix C was crafted under realistic assumptions regarding the potential of each candidate site to develop and recycle with high density housing. The analysis demonstrated that these inventoried sites are not only ripe for development, but collectively represent a smart and sustainable housing strategy for both market-rate and affordable housing opportunities for lower income households.



## 11 Sites Suitable for Lower Income Housing

The City has identified parcels that can accommodate 1,743 lower income units, compared with the City's remaining lower income RHNA obligation of 1,141 units. Sites that can accommodate 673 units are vacant, while the remainder are non-vacant sites accommodating 1,070 units where owners have expressed written interest in redeveloping their property for residential development within the planning period.

The very low and low income sites inventory in Appendix C describes each of these sites in detail, including site capacity, existing uses (if any), development constraints, and other features. Water and sewer distribution lines are available in the public right of way adjacent to each site, and the City has adequate water and sewer capacity to accommodate the RHNA. Appendix C also describes in detail assumptions made in calculating site capacity.

Housing Element Program 1A identifies these sites. Housing Element Program 1B provides the planned rezoning program. It states that each of these sites will be rezoned to a minimum density of 25 units per acre and maximum density of 30 units per acre, with 'by right' approval for any project with 20 percent low income housing that does not involve a subdivision. On all sites listed in the Housing Element, housing occupied by lower income households in the last five years must be replaced. Allowable building height will be increased to three stories, with two-story elements, but only for residential developments achieving 25 units per net acre on the rezoned sites. Lastly, the Land Use Element, Zoning Regulations and existing Specific Plans will be amended as needed to allow for residential densities between 25 and 30 du/ac.

The sites designated as suitable for lower income housing were selected based on their existing vacant or underutilized character, owner interest in developing residential uses, and suitability for development. **Table B-48** summarizes the residential capacity of these sites. In total, this rezoning program results in the rezoning of 72.86 net acres of land which creates an opportunity for additional multi-family rental or ownership housing development during the planning period. 1,743 units can be achieved as realistic capacity under the new zoning.



Table B-48: Residential Capacity on Sites to be Rezoned			
Site Number	Site Name	Net Acreage	Potential Units
<b>Vacant</b>			
02	Cannon Property (Piraeus)	6.93	173
05a	Encinitas Blvd & Quail Gardens Sites	3.76	94
08a	Rancho Santa Fe Parcels (Gaffney/Goodsen)	1.45	36
AD1	Sage Canyon	2.40	60
AD2a	Baldwin & Sons Proposal	2.98	74
AD2b	Baldwin & Son Proposal	4.86	121
AD12	Rancho Santa Fe East Site	4.61	115
<i>Subtotal</i>		<i>26.99</i>	<i>673</i>
<b>Non-vacant</b>			
01	Greek Church Parcel	2.00	50
05b	Encinitas Blvd & Quail Gardens Sites	1.02	25
06	Armstrong Parcels	2.22	55
07	Jackel Properties	2.97	33 <sup>1</sup>
08b	Rancho Santa Fe Parcels (Gaffney/Goodsen)	4.57	113
09	Echter Property	9.85	246
11	El Camino Real South	1.92	48
12	Sunshine Gardens Parcels	3.39	84
AD2c	Baldwin & Sons Proposal	1.21	30
AD7	Dewitt Property	0.80	20
AD8	Vulcan & La Costa	2.00	50
AD9	Seacoast Church	1.41	35
AD11	Manchester Avenue West Sites	1.67	41
AD14	Harrison Sites	1.91	21 <sup>1</sup>
AD31	Meyer Properties	6.52	163
AD32	Garden View Court (previously Frog's Gym	2.25	56
<i>Subtotal</i>		<i>45.71</i>	<i>1,070</i>
<b>Total</b>		<b>72.70</b>	<b>1,743</b>
Notes:			
1. Unit Yield anticipates that this site will be developed for mixed-use.			

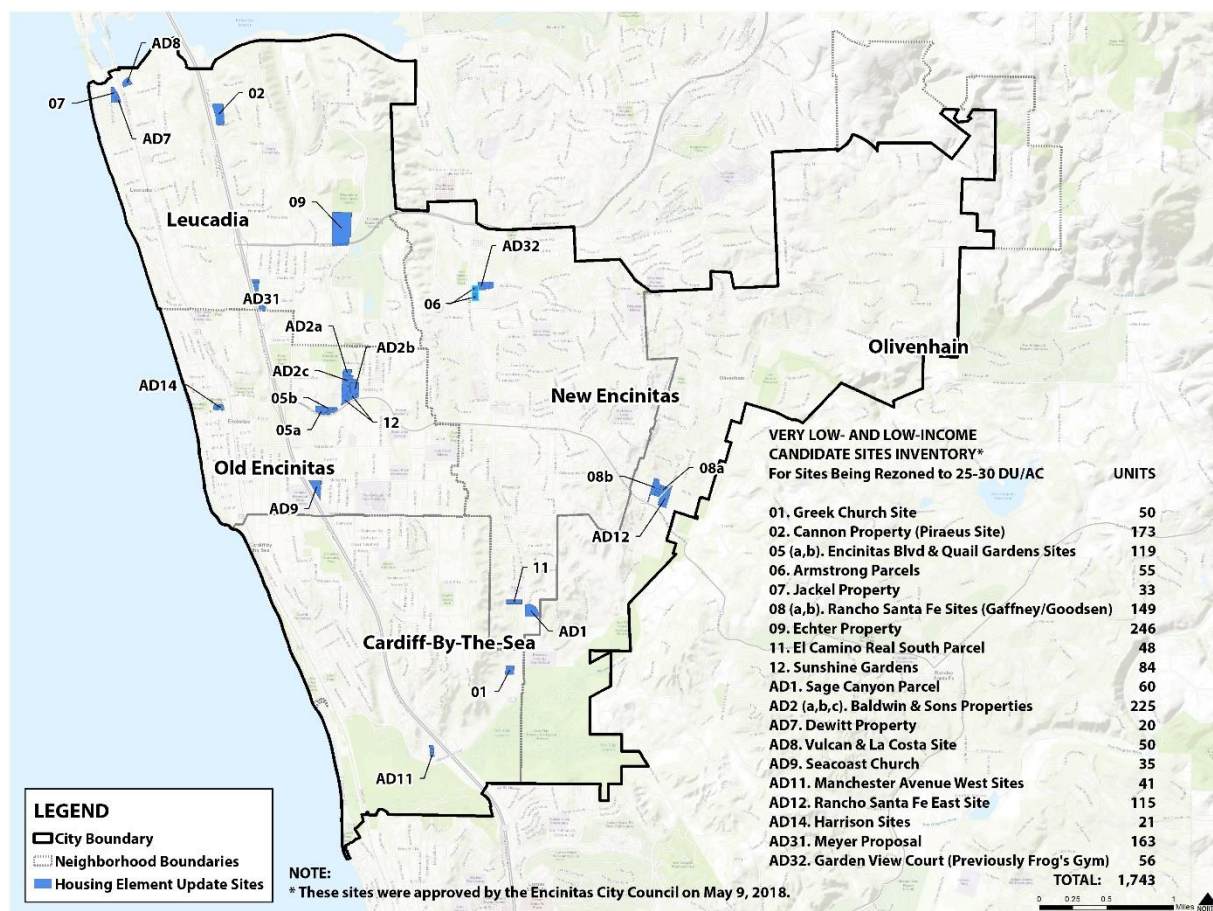


Figure B-6: Map of Rezoned Sites

## 11.1 Accessory Dwelling Unit Production

The City records the number of accessory dwelling units (ADUs) built on an annual basis. Consistently maintained records help determine trends in accessory unit construction. Between January 1, 2010 and December 31, 2017 203 new accessory dwelling units were constructed. Of these units, 16 were restricted for very-low and low-income households. In the past three years, permits have averaged 35 per year. Given the City's adoption of a liberal ADU ordinance in 2018, the City expects the number of ADUs built to increase to 40 per year, for total ADU construction of 320 units. The City projects that 79 ADUs total will be affordable to lower income households.

Due to limited available land within the City, ADU construction is very important to the City in its efforts to provide opportunities for affordable housing, and it has created numerous incentives for ADU construction.

After passage of new state laws effective January 1, 2017, the City applied state standards in evaluating ministerial applications for ADUs. Those standards eliminated many parking and other requirements, especially for ADUs contained within existing space. In March 2018, the City adopted its own ADU and junior accessory dwelling unit (JADU) ordinances which incorporated the loosened state standards, as well as providing further incentives:

- Both an ADU and a JADU may be constructed on one lot;
- Setbacks have been reduced to five feet in many cases;
- Floor area ratios have been increased on lots smaller than 10,000 sq. ft.;
- ADUs may have a maximum size of 1,200 sq. ft. so long as they do not exceed the floor area of the primary residence; and
- Development fees have been waived.

The City is developing a 'permit ready' program that will include pre-approved designs for ADUs with expedited processing. The City has also sponsored legislation to make it easier to legalize ADUs built without building permits.

In April 2018, the City conducted an additional survey to determine affordability levels of second units built during the planning period. The survey was sent to all recipients of building permits within the planning period, and a copy of the survey form is attached to this Appendix B. 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 affordable to moderate-income households. Because standards have been so significantly reduced, and JADUs are now permitted, the City anticipates that at least 24.6 percent of the ADUs built during the planning period, or 79 units, will be affordable to lower income households, and 54 units will be affordable to moderate income households. The actual percentage of affordable units may be higher if JADU construction becomes common, since these units are smaller with more limited facilities, and so may be more affordable than ADUs.

Figure B-7: April 2018 Accessory Dwelling Unit Survey (Page 1)



## ACCESSORY UNIT SURVEY

### HOUSING ELEMENT UPDATE

An important component of the Housing Element update is planning for future housing needs, including the provision of affordable housing. In Encinitas, accessory units can provide an opportunity to address affordable housing needs while maintaining the quality and character of existing neighborhoods. For this reason, the City of Encinitas is collecting information on existing accessory units to assess their affordability. Our records show that you obtained a building permit to construct an accessory unit. **If this is correct, and you have an accessory unit**, please complete the survey and return in the enclosed self-addressed, postage-paid envelope. You may also drop the survey off at City of Encinitas, Development Services Department at, 505 S. Vulcan Avenue, Encinitas, CA, 92024. Please return by **April 30, 2018**. **If you do not have an accessory unit**, you do not need to complete the survey. However, if you have any thoughts on accessory units, we welcome your comments on the back of the survey.

***Please note that this survey is to be completed anonymously and no identifying information is required or requested. Any identifying information will be kept confidential to the extent permitted under the law.***

An accessory unit, as defined by the State, is a self-contained residential dwelling either attached or detached from the main house or in a separate structure on the property. The unit shall include all of the following:

- A bedroom
- A full bathroom
- A separate cooking facility

**1. Is the accessory unit:**

- a) Attached to the main house
- b) Detached from the main home

**2. Does the Accessory unit have an outside entry?**

- a) Yes
- b) No

**3. How would you describe the use of the unit?**

- a) Occupied as living quarters or rented (Even if no rent is charged)
- b) Short-term rental or guest house (Less than 30 days)
- c) Not rented or occupied. Please specify: \_\_\_\_\_

**4. Please circle the unit type and circle the corresponding rent:**

Unit Type:	0 Bedroom (Studio)	1-Bedroom	2-Bedroom
Monthly Rent:	No rent charged	No rent charged	No rent charged
	Under \$700	Under \$800	Under \$900
	\$700-\$830	\$800-\$950	\$900-\$1,070
	\$830-\$1,525	\$950-\$1,750	\$1,070-\$1,965
	Over \$1,525	Over \$1,750	Over \$1,965

Figure B-8: April 2018 Accessory Dwelling Unit Survey (Page 2)

Additional Comments Regarding Accessory Units:

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The City of Encinitas thanks you for your participation in this survey. If you have any questions, please contact Nicole Piano-Jones, Management Analyst, Development Services Department, at (760) 943-2237 or [npiano@encinitasca.gov](mailto:npiano@encinitasca.gov).

The City will continue to monitor accessory unit production and affordability over the Housing Element planning period. If the rate of accessory unit production falls below anticipated levels, City staff will consider different regulatory or processing options to facilitate their production.

## 11.2 Regional Housing Needs Allocation

### 11.2.1 Future Housing Needs

Future housing need refers to the share of the regional housing need that has been allocated to the City. The State Department of Housing and Community Development (HCD) supplies a regional housing goal number to the San Diego Association of Governments (SANDAG). SANDAG is then mandated to allocate the housing goal to city and county jurisdictions in the region through a RHNA Plan. In allocating the region's future housing needs to jurisdictions, SANDAG is required to take the following factors into consideration pursuant to Section 65584 of the State Government Code:

- Market demand for housing;
- Employment opportunities;
- Availability of suitable sites and public facilities;
- Commuting patterns;
- Type and tenure of housing;
- Loss of units in assisted housing developments;
- Over-concentration of lower income households; and
- Geological and topographical constraints.

SANDAG adopted its Regional Housing Needs Allocation (RHNA Plan) in July 2011. This RHNA covers an 11-year planning period (starting in 2010) and addresses housing issues that are related to future growth in the region. The RHNA allocates to each city and county a "fair share" of the region's projected housing needs by household income group. The major goal of the RHNA is to assure a fair distribution of housing among cities and counties within the San Diego region, so that every community provides an opportunity for a mix of housing for all economic segments.

The RHNA allocation process is primarily legislative rather than adjudicatory in nature and involves the actions of more than a single entity. Each respective council of governments develops a methodology for distributing the housing needs to the local governments in its region. By statute, SANDAG consulted with both the affected municipalities and the public in accomplishing this task. Once adopted, local agencies must accommodate the full allocated share of units by income category. Please note that the housing allocation targets are not building requirements or mandates, but goals for each community to accommodate through appropriate planning policies and land use regulations. Allocation targets are intended to assure that adequate sites and zoning are made available to address anticipated housing demand during the planning period.

Encinitas' share of regional future housing needs is a total of 2,353 new units for the current planning cycle (2013-2021). This allocation is distributed into various income categories, as shown in **Table B-49**. The RHNA includes a fair share adjustment which allocates future (construction) need by each income



category in a way that meets the State mandate to reduce the over-concentration of lower income households in one community.

Table B-49: Housing Needs for 2013-2021		
Income Category (% of County AMI)	Number of Units	Percent
Extremely Low (30% or less)	293	12.4%
Very Low (31 to 50%) <sup>1</sup>	294	12.5%
Low (51 to 80%)	446	19.0%
Moderate (81% to 120%)	413	17.5%
Above Moderate (Over 120%)	907	38.5%
Total	2,353	100.0%
Note 1: Pursuant to AB 2634, local jurisdictions are also required to project the housing needs of extremely low income households (0-30% AMI). In estimating the number of extremely low income households, a jurisdiction can use 50% of the very low income allocation or apportion the very low income figure based on Census data. Therefore, the City's RHNA of 587 very low income units was split evenly. Source: Final Regional Housing Needs Allocation, SANDAG, 2011.		

### 11.3 Credits toward the 2013-2021 RHNA

Since the RHNA uses January 1, 2010 as the baseline for growth projections for the Housing Element planning period of 2013-2021, jurisdictions may count toward the RHNA any new issued building permits or approved since January 1, 2010.

Overall, the City has a remaining RHNA of 1,511 units, including 1,141 very low/low-income units, 355 moderate income units, and 15 above moderate income units. **Table B-50** shows the breakdown of existing RHNA, including carryover (discussed in the next section), and a summary of new construction during the planning period and anticipated accessory unit yield. The City has adequate sites properly zoned to accommodate its moderate and above moderate income need. Assuming 79 accessory units are affordable to lower income households and 54 units are affordable to moderate income households, the City needs to zone sites capable of accommodating 1,141 lower income units and 355 moderate income units. The sites shown in detail in Appendix C can accommodate 1,743 lower income units.

Table B-50: Credits Toward the RHNA (Built and/or Approved)					
	Extremely Low/ Very Low 0-50% AMI	Low 51-80% AMI	Moderate 81-120% AMI	Above Moderate > 120% AMI	Total
RHNA	587	446	413	907	2,353
RHNA Carryover	253		--	--	253
Subtotal RHNA	1,286		413	907	2,606
New Construction (including ADU) and Approved Projects	66		4	892	962
Anticipated Accessory Units and AUP Units	79		54	0	133
<b>Total Remaining RHNA</b>	<b>1,141</b>		<b>355</b>	<b>15</b>	<b>1,511</b>

#### 11.4 RHNA Carryover from the Previous Planning Period

If a jurisdiction fails to provide adequate sites in the prior planning period, within one year of the new cycle, the jurisdiction must rezone/upzone adequate sites to accommodate the shortfall. This requirement is in addition to rezoning/upzoning that may be needed to address the RHNA for the new cycle.

This law affects the City of Encinitas' 2013-2021 Housing Element, requiring the City to address its deficit in sites for the previous housing element cycle (2005-2010). For the 2005-2010 planning period, the City of Encinitas submitted a Draft Housing Element for review by the State HCD. The 2005-2010 Draft Housing Element was unable to secure a "substantial compliance status" from HCD and was never adopted. As such, this 2013-2021 Housing Element must address any deficit in sites incurred during the last Housing Element RHNA cycle.

In the previous planning period, the regional share and/or total number of housing units by income category (very low, low, moderate, and above moderate) assigned to the City was 1,712. From 2003 through 2010, the City only produced 1,020 total housing units. The potential AB 1233 carryover will be equal to the portion of RHNA not accommodated either through actual housing production or land made available for residential development within each income category. To determine any potential carryover, this report follows the following approach outlined by HCD:

Step 1: Subtracting the number of housing units constructed, under construction, permitted, or approved since January 1, 2003 to December 31, 2010 by income/affordability level;

Step 2: Subtracting the number of units that could be accommodated on any appropriately zoned sites available in the City during the RHNA cycle.

The City's RHNA obligations and credits as of December 2010 are summarized in **Table B-51**. Specifically, the City constructed a total of 1,020 units, including 62 units that were deed restricted as long-term affordable housing for very low and low income households based on the City inclusionary housing requirements or funding subsidies.



Among the remaining 968 non-deed-restricted units, 53 units can be credited as affordable to lower and moderate income households based on actual sale prices or rents determined as required by Health & Safety Code Sections 50052.5 and 50053. The City requires the inclusion of rents and sale prices information in the application for a Certificate of Occupancy. Based on the actual rents and sale prices reported by the owners/developers and affordable housing costs at the time of completion, 53 (six percent) of the 958 units were affordable.

Overall, the City met approximately half of its RHNA for the 2005-2010 planning period with actual production, with a remaining RHNA of 900 units (305 moderate-income units and 595 lower income units) that the City was required to accommodate on appropriately zoned sites. Zoning existing in 2005 – 2013 could accommodate additional housing. Specifically, during the previous planning period (2005-2013), 860 units (at a maximum density of 25 units per acre and average density of 20 units per acre prior to the two-story height limit imposed by Proposition A) could be accommodated on vacant and underutilized mixed-use and R25 sites in the Downtown Encinitas and North 101 Corridor Specific Plans, more than double the sites required for the City's remaining moderate income RHNA units.

Furthermore, the D-CM1 districts in the Downtown Encinitas Specific Plan area allowed for mixed-use development with no density limit during the entire previous planning period, extending to April 30, 2013. Based on the development standards established in the Specific Plan in effect at the time, a typical mixed-use project could achieve 34 units per acre. Up to 684 units could have been accommodated on the vacant and underutilized D-CM1 sites. Assuming that only half of these mixed-use sites would have been redeveloped with a residential component, these sites could fulfill 342 units of the City's remaining lower income RHNA, resulting in a RHNA carryover of 253 lower income units from the previous Housing Element cycle.

As discussed previously, the two-story limit imposed by Proposition A in June 2013 reduced the effective density of sites in the D-CM1 zone to 15 units per acre, below the default density of 30 units per acre. Consequently, none of these sites are being proposed as lower income housing sites in this Housing Element. However, they are suitable for moderate-income housing.

Table B-51: AB 1233 Carryover from Previous Housing Element Cycle						
	2003-2010	Very Low Income	Low Income	Moderate Income	Above Moderate	Total
Units Constructed	Deed Restricted	49	13	0	0	62
	Non-Deed Restricted	10	24	19	905	958
RHNA		392	299	324	697	1,712
Remaining RHNA		333	262	305	0	900
<i>Sites Available in Preserved Communities in the Previous Planning Cycle (No Change from Existing General Plan)</i>						
<b>Mixed-use:</b>						
D-CM1		684*		--	--	684*
D-CM2, N-CM1, N-CM2, N-CM3, N-CRM1, D-VCM		--		748*	--	748*
D-OM, N-CRM2		--		--	30	30
<b>Residential-Only:</b>						
D-R25, R25		--		112	--	112
D-R15, N-R15, R15		--		--	62	62
R11, N-R8, R8, R5, N-R3, R3, RR2, RR1, RR		--		--	1,160	1,160
<b>Total</b>		684		860	1,252	2,796
<b>Overall Site Capacity (Assuming 50% Mixed-use with Residential)</b>		342		486	1,237	2,065
<b>Carryover</b>		253		0	0	253
*Proposition A – Voter Right Initiative was passed by Encinitas voters in June 2013, after the end of the 2005 – 2013 planning period on April 30, 2013.						

In litigation in San Diego County Superior Court, plaintiffs allege that the City should not receive credit for either the D-CM1 sites or the 34 lower income units that are not deed restricted. This would increase the City's remaining lower income obligation from 1,141 units to 1,527 units. The sites identified as lower income sites would accommodate 1,743 units, so that the City will have adequate site capacity regardless of the outcome of the litigation.

## 11.5 Adequacy of Sites for RHNA

As part of this Housing Element update, the City is proposing an adequate site's rezoning program to accommodate the shortfall of sites necessary to accommodate the remaining housing need for housing for all income categories during the planning period. The program ensures that the sites are zoned to allow residential uses "by-right" for sites with 20 percent low income housing and no subdivision. The rezoning program will ensure that at least 50 percent of the remaining lower income need is accommodated on sites designated for residential uses only, where mixed-use and nonresidential use is not permitted.

The Housing Element update lists sites that can accommodate approximately 2,443 additional units, including sites where the zoning will not change. This capacity discounts the development potential in mixed-use areas, recognizing that not all mixed-use sites will include a residential component, and does

not include many small sites that could be consolidated for a housing development. Overall, the City has adequate capacity to accommodate both the 2013 - 2021 RHNA and the 253-unit carryover.

Table B-52: Adequacy of Sites Inventory					
	Extremely Low/Very Low Income	Low Income	Moderate Income*	Above Moderate Income	Total
RHNA (2013-2021)	587	446	413	907	2,353
RHNA Penalty (2003-2010)	253		--	--	253
Units Built/Approved	33	33	4	892	962
Remaining RHNA	1,220		409	15	1,644
Sites Available					
Moderate Income - Mixed Use Areas	--		277	--	277
Existing Residentially Zoned Properties	0		215	177	392
Accessory Unit Production	79		54	--	133
Total Potential Capacity Based on Existing GP and Zoning	--		492	177	767
Remaining RHNA	1,141		0	0	1,141
Sites Proposed for Rezoning	1,743		--	--	1,743
Total Capacity Over Lower Income RHNA Categories	602				
*Moderate income category includes the DCM-1, DCM-2, NCM-1, NCM-2, NCM-3, NCRM-1, N-CRM-2, D-OM, D-VCM Zones, R11, R15, N-R15, D-R15, N-R20, D-R25, N-R25, and R25. Reasonable capacity assumptions for the DCM-1 Zone are based on new information not previously available for previous planning periods.					

## 11.6 Proposed Development Standards

The City has initiated the process of amending its Zoning Code, and relevant Specific Plans, to modify existing development standards that may be constraints to constructing projects at the properties to be up-zoned to 30 dwelling units per acre. To date, the City has conducted the following public meetings to prepare and vet the proposed development standard amendments.

February 28, 2018 and April 4, 2018 – Discussions with technical advisors and other interested parties to review the existing standards and to best understand potential impediments to establishing low-income housing.

April 18, 2018 – City Council reviewed draft development standards and requested that the establishment of grade, average unit size and height exceptions for equipment and elevator shafts be evaluated.

May 2, 2018 – A Community Roundtable discussion was conducted to share the draft development standards and engage community members and other interested parties.

May 17, 2018 – The Planning Commission conducted a study session to review the draft Housing Element and draft development standards

May 23, 2018 – City Council reviewed draft development standards and was advised that the following standards will be included in the draft Housing Element and presented for their consideration for adoption.

<b>Table B-53: Proposed Development Standards</b>	
<b>Zone Requirement</b>	<b>R-30</b>
Density (Maximum Dwelling units per acre)	30
Net Lot Area (sq.ft.)	30,000
Lot Width (ft.)	75
Lot Depth (ft.)	75
Front Yard Setback (ft.)	10
Building Height (ft.)	37
Maximum Number of Stories	3
Lot Coverage (maximum percentage)	65
Parking – Standards for Affordable Housing Units Standards are inclusive of guest spaces	Studio 1 space/unit 1 bedroom 1 space/unit 2 bedrooms 1.5 space/unit 3+ bedrooms 2 spaces/unit

The City Council also asked that provisions be adopted to allow the Planning Commission to approve modifications to the designation of "natural grade" where grading is required due to geotechnical concerns; drainage or flood control requirements; accessibility requirements; environmental remediation; or where a modification is needed to permit development at the minimum net density of 25 to 30 units per acre.

The above standards will be incorporated in Zoning Code Section 30.16., Residential Zones, and relevant Specific Plans. '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 three 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.

The required action documents will be presented for Council consideration at the same meeting that the draft Housing Element will be presented for adoption.

## **12 Financial Resources**

Providing for an adequate supply of decent and affordable housing requires layering of funding from various sources. The City has access to the following funding sources:

## **12.1 Affordable Housing Fund**

The City has an Affordable Housing Fund using revenues primarily generated from the City's Inclusionary Housing program. The City's Inclusionary Ordinance provides the opportunity to a developer to pay a fee in lieu of providing affordable units on site. The per-unit in-lieu fee is calculated on a case-by-case basis, depending on the market conditions at the City. The affordable housing funds collected are then applied and/or leveraged with additional funding sources to create affordable housing in other locations. As of May 2014, the City has a balance of \$1,352,571.00 million in the Affordable Housing Fund.

## **12.2 Section 8 Housing Choice Voucher**

The Section 8 Housing Choice Voucher program is the Federal government's largest program to assist very low-income families, the elderly, and the disabled by providing rent subsidy payments in privately owned rental housing units. As the units are market-rate, the program offers households the opportunity to have an expanded choice in housing. Section 8 participants typically, upon initial approval, pay 30 to 40 percent of their income for rent and utilities. The Housing Authority of the City of Encinitas administers the program and pays the difference between the tenant's contribution and the actual rent and utility costs, up to the payment standard established by the Housing Authority, based on HUD-established Fair Market Rents. To cover the cost of the program, HUD provides funds to allow the City to make housing assistance payments on behalf of the families. HUD also provides the Housing Authority with a separate allocation for administering the program.

## **12.3 Community Development Block Grants (CDBG)**

The Community Development Block Grant (CDBG) program was initiated by the Housing and Community Development Act (HCDA) of 1974. The primary objective of the program is to develop viable urban communities by providing decent housing, a suitable living environment, and economic opportunities, principally for persons of low incomes (up to 80 percent AMI). CDBG funds can be used for a wide array of activities, including:

- Housing rehabilitation;
- Lead-based paint screening and abatement;
- Acquisition of buildings and land;
- Construction or rehabilitation of public facilities and infrastructure, and;
- Public services for low income households and those with special needs.

The City of Encinitas has been an entitlement jurisdiction for CDBG funding since 1990. Annually, the City receives approximately \$300,000; however, appropriations for many domestic programs, such as CDBG, have experienced declines over the past few years and future funding allocations are unknown at this time. Typically, the City expends CDBG funds to public services, fair housing, capital improvement projects, residential rehabilitation, and administration.

## **12.4 HOME Investment Partnership Program (HOME)**

The HOME program provides federal funds for the development and rehabilitation of affordable rental and ownership housing for households with incomes not exceeding 80 percent of area median income. The program gives local governments the flexibility to fund a wide range of affordable housing activities through housing partnerships with private industry and non-profit organizations. HOME funds can be used for activities that promote affordable rental housing and homeownership by low income households.

Encinitas is not an entitlement jurisdiction, and therefore, does not receive HOME funds directly from HUD. The City participates in the HOME Consortium administered by the County of San Diego. Until FY 2014-15, HOME funding was allocated to each of the participating members of the HOME Consortium; however, due to federal changes to the HOME program, Encinitas no longer receives funding from the County of San Diego to administer HOME programs. As a continued member of the San Diego Regional Consortium, City of Encinitas residents may receive assistance through the County of San Diego's HOME programs. These programs include a first-time homebuyer down payment and closing costs assistance program and a tenant-based rental assistance program. HOME funding was also provided to the Emancipated Foster Youth TBRA and Family Reunification TBRA. The programs are developed to provide rental assistance to former foster youth between the ages of 18 and 24 and those that are attempting to reunify with their children while in substance abuse recovery. Additionally, the County periodically makes funding available for the new construction or acquisition and rehabilitation of affordable housing. Projects meeting the County's requirements would be eligible to apply for funding, when available.

## **12.5 Administrative Capacity**

## **12.6 City of Encinitas Housing Authority**

The Encinitas Housing Authority offers Section 8 Housing Choice Vouchers to very low income households. Currently, the Housing Authority administers 136 vouchers, although current HUD funding supports 101 households.

## **12.7 Community Resource Center**

The City partners with the Community Resource Center (CRC) located in Encinitas to provide a range of homeless services, including case management and counseling, services for victims of domestic violence, homeless prevention and intervention, food distribution, and employment assistance. The CRC is a 501(c)(3) nonprofit organization that has been the primary provider of comprehensive social services to the North County Coastal region since 1979. The agency has an estimated annual budget of \$3.2 million and employs approximately 44 persons. Annually, the City provides CDBG funding for CRC to support its homeless services. The City has also provided assistance in the rehabilitation of CRC's social services facility, and transitional housing facility, located in downtown Encinitas. The City also provides general funds to CRC Opening Doors program, which provides housing navigation, case management, landlord incentives, and move-in support for homeless households.

## 12.8 Nonprofit and For-Profit Housing Developers

The City partners with a number of nonprofit and for-profit housing developers to provide permanent affordable housing in the community. These include:

- Habitat for Humanity
- Mercy Housing: Cantabria Senior Apartments (44 units)
- North Coast Housing: Su Casa Family Apartments (28 units)
- Community HousingWorks: Esperanza Garden Apartments (10 units)
- Chelsea Housing, Iris Apartments: recently constructed (20 units)
- Second Street Apartments: Private Developers (4 units)
- Encinitas Preservation Association: Boathouse Apartments (4 units)
- Encinitas Ranch Apartments, LLC: Elan Pacifico (120 units, 22 affordable)

## 13 Opportunities for Energy Conservation

The primary uses of energy in urban areas are for transportation lighting, water heating, and space heating and cooling. The high cost of energy demands that efforts be taken to reduce or minimize the overall level of urban energy consumption. Energy conservation is important in preserving non-renewable fuels to ensure that these resources are available for use by future generations. There are also a number of benefits associated with energy conservation including improved air quality and lower energy costs.

The City's energy goals, stated in the Resource Management Element of the General Plan, make every effort to conserve energy in the City thus reducing dependence on fossil fuels. The City's policies relating to energy include encouragement of the use of alternate energy systems, urban design that maximizes opportunities for solar energy use and energy conservation, and promotion of energy conserving standards and requirements for new construction.

Starting in 2012, the City promoted energy efficiency, environmental stewardship, and sustainability by eliminating or reducing permit fees for solar photovoltaic home systems, solar water heating home systems, electric vehicle supply equipment for home charging, clean natural gas systems for home refueling, etc. What started as a one-year program (launched in July 2012) has evolved into a program that will be evaluated on a yearly basis with the overall budget. The energy efficiency permit fee waiver program was recently extended, and is still in existence.

In January 2018, the City adopted an update to its Climate Action Plan. To further advance community energy goals, the City will implement a number of actions/measures (e.g., require energy audits, solar photovoltaic systems and solar water heaters) to achieve residential-focused greenhouse gas emission reductions. Until those actions/measures are adopted, Title 24, Building Energy Standards for Residential Development, establishes energy budgets or maximum energy use levels. The standards of Title 24 supersede local regulations, and State requirements mandate Title 24 requirements through implementation by local jurisdictions. The City will continue strict enforcement of local and state energy regulations for new residential construction, and continue providing residents with information on energy efficiency.



SDG&E offers an Energy Savings Assistance program that offers income-qualified households assistance to:

- Install improvements to help make the home more energy efficient;
- Help understand the best ways to save energy around the home; and
- Determine whether some of the appliances are eligible for free repairs or replacement.

Examples of free home improvements offered by SDG&E include: attic insulation; door weather-stripping and caulking; low-flow showerheads and faucet aerators; water heater blankets; energy-efficient lighting; and assistance in selecting energy-efficient appliances. The City helps publicize this program on the City website.

## **14 Evaluation of Previous Housing Element Related Work Efforts**

To lay the basis for preparing a Housing Element update, the Housing Element must analyze the City's accomplishments during previous Housing Element planning periods and/or progress in implementing Housing Element law and/or other statutory mandates. In this section, the City describes and quantifies the actual progress and effectiveness of previous work efforts to attain the community's housing goals and objectives. It is important to determine if the housing needs have changed, if the goals and policies are still relevant, and if the programs were effective. This task was systematically considered as part of the 2013-2021 Housing Element update.

Typically, a locality will utilize the last adopted Housing Element in order to evaluate progress towards facilitating a variety of housing types, services, and programs to meet needs within a community. Since the 2005-2010 and 1999-2004 Encinitas Housing Elements were never adopted by the City, there is no standardized basis for this assessment. However, draft policies and programs were developed during these planning periods; therefore, both draft documents serve as the best proxy for benchmark review. While the draft documents were never officially adopted, the 2005-2010 and 1999-2004 draft Housing Elements address housing needs and community-specific and housing-related issues of the time period.

This section evaluates the City's progress in two contexts: 1) the City's progress towards meeting Coastal Zone requirements; and, 2) the City's success in meeting its housing goals and program objectives. This evaluation is a key component in the determination of goals and programs to be included in the 2013-2021 Housing Element.

### **14.1 Evaluation of Progress towards Meeting Coastal Zone Requirements**

Section 65588 of the Government Code requires that, in housing element updates, coastal jurisdictions document the number of low and moderate income units converted or demolished, and the number of replacement units provided. Section 65588 also requires that revisions of the housing element must include, for the coastal zone:

- Number of new units approved for construction after January 1, 1982

- Number of units for low and moderate income households required to be provided either within the coastal zone or within three miles of it.
- Number of units occupied by low and moderate income households and authorized to be demolished or converted since January 1, 1982.
- Number of units for low and moderate income households required either within the coastal zone or within three miles in order to replace those being demolished or converted.

Because the City was incorporated in 1986, information is not available for units produced between 1982 and 1986. The information in **Table B-53** was obtained from the County of San Diego Department of Housing and Community Development and from City records.

<b>Table B-54: Residential Development in Coastal Zone (1986-2012)</b>			
<b>Residential Development in the Coastal Zone</b>	<b>1986-1999</b>	<b>1999-2004</b>	<b>2005-2017*</b>
New construction	1,021	1,013	1,062
New low-and moderate-income housing	43	48	92
Demolished market rate housing	65	81	213
Demolished/converted low- and moderate-income housing	4	0	0
Replacement low- and moderate-income housing	4	0	0
*Date range includes 7/1/2005 to 12/31/2017			

## 14.2 Evaluation of Adopted Housing Element Goals and Programs

This section of the Housing Element is intended to describe the City's progress in meeting the goals and policies of the latest adopted Housing Element. However, the last Housing Element was adopted in 1992 and a lot has changed since then. That is, it is difficult to gauge or infer progress out of evaluating programs that were developed 20+ years ago. Since a considerable amount of effort went into updating the Housing Element during the fourth and fifth cycles (1999 and 2005), it is reasonably expected that these draft programs are a more useful source of information.

The programs contained in these draft Housing Elements described specific actions the City of Encinitas proposed to carry out to satisfy the community's housing needs and meet the requirements of State law. The evaluation section of these draft documents detailed what happened and described the actual results or outcomes of the prior planning efforts. For example, for each program the draft documents compared significant differences to determine where the previous draft housing element met, exceeded, or fell short of what was anticipated.

The results of this review and assessment were used to revise and update the proposed programs for 2013-2021 as described in the Implementation Plan section. The programs were organized into five major issue areas: Housing Opportunities, Homeownership Opportunities, Rental Assistance, Quality of Housing, and Maintenance and Preservation of Housing.

### 14.3 Housing Opportunities

#### 1999/2005 HE Program 1: Zoning Code – Existing Provisions

The relationship between housing goals and land use planning is direct. The Land Use Element of the Encinitas General Plan and its implementing zoning regulations is the City's most important "housing program," by providing for the number and type of housing units needed. The Housing Needs, Housing Constraints and Housing Resources sections of the Housing Element establish the relationship between identified housing needs and the ability to meet those needs through the City's land use planning. The following existing provisions of the City's Zoning Code are designed to ensure that the City achieves its housing objectives as a result of zoning implementation. Note that some of the City's zoning provisions will continue to be implemented on an on-going basis, while others need modification or "fine tuning" through amendments to the Zoning Code.

#### 1999/2005 HE Program 1A: Overall Land Use Plan Implementation

The City proposed to continue to apply zones through the Zoning Code and Zoning Map to correspond with the Land Use Element's residential designations that would have provided a range of residential densities and housing types. These included the single-family residential categories, (RR through RS-11) the multi-family categories (R-11 through R-25 zones) and the specialty category of Mobile Home Park (MHP).

*Program Accomplishment:* This program was an on-going activity. The City initiated a comprehensive update to its General Plan in 2010. The Comprehensive General Plan Update and subsequent Housing Element-related work provided additional opportunities to evaluate appropriate locations for high-density residential and mixed-use development.

*Program Evaluation:* This program is continued as part of the 2013-2021 Housing Element.

#### 1999/2005 HE Program 1B: Accessory Units

The City proposed to apply zoning code provisions that allowed accessory units (also known as second units or granny flats) by right in all single-family residential zones, in accordance with State law. In addition, the City allowed developers of single-family subdivisions to meet inclusionary housing requirements by building accessory units. After conducting an inventory of inclusionary, accessory units in 2003, the City re-evaluated that accessory unit option. Many owners of the accessory units did not rent the units out in accordance with the recorded covenant.

*Program Accomplishment:* The City's accessory unit regulations were amended in the mid-1990s, permitting their construction by right in single-family neighborhoods. Implementation of the City's ordinance permitted the construction of at least 163 new accessory units. Over the past several years, the production on new accessory units has ranged from 14 to 21 units per year, with about 19 new units on average.

*Program Evaluation:* This program has been successful in fostering the development of accessory units throughout the community and is continued in the 2013-2021 Housing Element. Program 1C has been added to relax development standards and to encourage more accessory unit (second-unit) production.

### **1999/2005 HE Program 1C: Agricultural Worker Housing**

The City proposed to continue to apply zoning code provisions that would allow agriculture worker housing as an accessory to agricultural/horticultural land uses. The City proposed to review development standards/limitations that were in effect for agricultural worker housing to avoid potential disincentives, and allow for flexibility in the type of structure allowed as accessory agricultural program housing.

*Program Accomplishments:* The City did not undertake any formal review of its zoning/development standards for agricultural worker housing. At the same time, there has been no indication that the City's standards have posed a constraint to the provision of such housing.

*Program Evaluation:* The City's current Zoning Code requires agricultural worker housing requires a minor use permit, which is inconsistent with state law. A program is included in the 2013-2021 Housing Element to amend the Zoning Code to comply with state law. Refer to Program 3D.

### **1999/2005 HE Program 1D: Mobile Home/Trailer Parks**

The City proposed to continue to apply zoning provisions that allowed the development of new mobile home/trailer parks and that recognize and allow the expansion of existing parks. The City will maintain the exclusive mobile home park zone (MHP), where appropriate, and will continue to provide for parks as an option under other zones. The 2005 draft Housing Element identified a need to conduct a citywide assessment of mobile homes/trailer parks to determine their status and ability to continue to provide affordable housing opportunities.

*Program Accomplishments:* The City did not receive any applications to expand mobile home parks or to rezone parks to the MHP zone. The City recently conducted an evaluation of mobile home parks and their capacity to continue to serve relatively affordable housing. The objective of the study was to develop a series of strategies and programs to encourage park conservation and sustain long-term, relatively affordable housing. The City Council considered a number of regulatory and non-regulatory alternatives. In response to resident-based surveys and community input received at three workshops, the Council decided not to pursue an alternative that would have expanded the sites that are currently zoned for exclusive mobile home park use. However, City Council directed staff to implement several different programs aimed at mobile home park preservation. One particular strategy included a City-administered residential rehabilitation program for mobile homes and trailers, which has been implemented.

*Program Evaluation:* Mobile homes continue to be an affordable homeownership option, but space rents in many parks have remained relatively high. A recent mobile home park inventory, conducted in 2007-2008, addressed a variety of mobile home park strategies for implementation to provide affordable housing opportunities.

### **1999/2005 HE Program 1E: Care Facilities**

The City proposed to continue to allow for the development of small scale care facilities, community care facilities, congregate care facilities, and residential care facilities under zoning to meet the special housing needs of seniors and persons with disabilities.

*Program Accomplishments:* In early 2005, the City revised its ordinance and definitions to be consistent with State standards.

*Program Evaluation:* This program is continued as part of the 2013-2021 Housing Element. Refer to Program 3D.

**1999/2005 HE Program 1F: Identify and Remove Constraints to the Development of Housing for Persons with Disabilities**

State law requires jurisdictions to analyze potential and actual governmental constraints on the development of housing for persons with disabilities and describe the City's efforts to remove or mitigate those constraints. During the 1999 Housing Element cycle, the City proposed to analyze its zoning ordinance and procedures to ensure that they provided flexibility in, and not constrain, the development of housing for persons with disabilities. If constraints were found, the City proposed to amend their zoning ordinances and/or change their procedures in order to remove them. Similarly, in the 2005 Housing Element planning period, the City proposed the development of a formal reasonable accommodation procedure.

*Program Accomplishments:* 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. As part of the City's participation in the Regional Analysis of Impediments to Fair Housing Choice study, the City's processes and ordinances were reviewed.

*Program Evaluation:* This program is carried over into the 2013-2021 Housing Element programs. Refer to Program 5A. The City will develop a formal reasonable accommodation procedure for persons with disabilities as related to zoning/development and building permit processes.

**1999/2005 HE Program 1G: Density Bonus**

At the time that the 1999 Housing Element was prepared, State law required that if a developer agrees to construct at least 20 percent of the total units of a housing development for lower income households, or 10 percent of the total units of a housing development for very low income households, or 50 percent of the total units for elderly households, a city had to grant a density bonus of at least 25 percent over the otherwise maximum allowable density for the project site. Additionally, the law requires a city to offer at least one concession or incentive to a developer in exchange for affordable housing. The City's Local Coastal Program (LCP) restricts density bonuses to a maximum of 25 percent and allows only one concession or incentive due to the California Coastal Commission's interpretation of State Density Bonus Law.

New State law (SB 1818) has modified the requirements for the City if a developer requests a density bonus for providing affordable housing as part of a development proposal. Key provisions of the new law include lowering minimum density bonuses and affordable housing set-asides, providing a density bonus range that caps at 35 percent and requiring cities to grant up to three incentives or concessions. The law also provides for reduced parking requirements if requested by a developer. The program contained in the 2005 Housing Element cycle sought to bring the City's density bonus provisions into compliance with the new provisions of State law.

*Program Accomplishments:* The City's implementing ordinance of density bonus law is inconsistent with the recent changes. Although the City's density bonus regulations do not comply with State law, they have

not been a barrier to the City approving density bonus projects. Most of the City's approved subdivisions since 2003 have associated with density bonus projects.

*Program Evaluation:* The 2013-2021 Housing Element will include a program to bring the City's density bonus ordinance and LCP into conformance with the new provisions of State law. Refer to Program 3A. The City updated its density bonus regulations, which related Local Coastal Program amendment was certified by the Coastal Commission in 2016. Additionally, the City will evaluate how the ordinance may be applied in conjunction with the City's Inclusionary Housing program to maximize affordable housing opportunities.

#### **1999/2005 HE Program 1H: Inclusionary Housing Program**

The City proposed to establish an inclusionary housing program that required subdivisions of 10 or more units to set aside at least 10 percent of the 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, it was proposed that the subdivider was to reserve a unit or units to tenants at or below 50 percent of the area median income. The units either had to be rented at or below the affordable rent level or sold at a price affordable to eligible households.

Residential subdivisions of 10 or more units could have met the City's 10 percent Inclusionary Housing Requirement by building an accessory dwelling unit with an affordability deed restriction. Accessory units also were rent restricted through the City's Affordable Unit Policy. After conducting a citywide survey of accessory unit owners in October 2003, the City found that many homeowners did not rent out the accessory units in accordance with the recorded covenant. The 2005 Housing Element sought to implement changes to the inclusionary program to more effectively meet the City's affordable housing goals and grant developers greater flexibility in how they fulfill their inclusionary requirements.

*Program Accomplishments:* The City enacted an ordinance that implemented the above requirements of the 1999 Housing Element. Since adoption of the inclusionary housing program, 125 units were produced, including 14 for-sale units, 67 rental units, and 44 accessory units. As mentioned above, although at one time allowing developers to build inclusionary, accessory units has dispersed affordable units throughout the community, enforcement of rent restrictions has proven to be difficult. The City subsequently re-evaluated that accessory unit option. Many owners of the accessory units did not rent the units out in accordance with the recorded covenant. After some discussion, the City changed its policy and no longer allows developers to meet inclusionary housing requirements by building accessory units.

*Program Evaluation:* This program was successful in fostering the development of affordable units and should be continued in the 2013-2021 Housing Element. Refer to Program 2A. The City will evaluate how this program may be combined with the City's Density Bonus program to maximize affordable housing opportunities. The City also will evaluate expanding the application of inclusionary housing to increase homeownership and rental opportunities for moderate-income households, as well as other changes in the program to more effectively meet the City's affordable housing goals.

#### **1999/2005 HE Program 1I: Permit Streamlining Policy**

The City proposed to continue its existing policy to streamline permitting procedures for affordable housing projects. This effort was to address the possible administrative constraints of securing permits to produce an affordable housing project.



*Program Accomplishments:* The City engaged in a program to improve the efficiency of the development review process. Elements of the program included upgrading the computerized permitting system, reducing unnecessary paperwork, eliminating certain permit requirements, and establishing an interdepartmental team to quickly resolve problems as they arise.

The City streamlined permitting for two affordable housing projects, Poinsettia Ridge and Cantebria Senior Apartments. The non-profit developer of the Cantebria project developed the units under a HUD senior housing program, and due to a lengthy review process within HUD, was not able to realize any advantage from the expedited processing.

*Program Evaluation:* This program is continued in the 2013-2021 Housing Element with an emphasis on working with non-profit and for-profit housing developers to better utilize the expedited process.

### **1999/2005 HE Program 1J: Reduced Parking Standards for Mixed-use and Affordable Housing in Specific Plan Areas**

Mixed-use units that were guaranteed to be affordable to low or very-low income households were allowed a reduced, one-space-per-unit parking requirement. The City proposed to continue to enforce these zoning provisions and to seek to incorporate reduced parking standards for mixed-use and affordable housing projects in future Specific Plan Areas.

*Program Accomplishments:* In the Downtown Specific Plan Area and the North 101 Corridor Specific Plan Area, no more than two off-street parking spaces required for any unit in a mixed-use development.

In the Encinitas Ranch Specific Plan Area Mixed-use Zones, the Planning and Building Director has the authority to reduce the above parking requirements for affordable housing projects, provided either that a parking study was prepared to support the proposed reduction in parking spaces or a baseline parking study was conducted by the City that was applicable to all affordable housing development in the City. This authority was exercised in at least one affordable housing development during the last review period.

*Program Evaluation:* The City reduced parking standards for the Cantebria Senior Apartments to 0.67 per unit, based on parking studies conducted by the developer of similar senior complexes in Southern California. However, when the complex began leasing up, the property manager discovered that 75 to 80 percent of applicants had cars. As a result, after the complex was 60 percent leased, the property manager began selecting only applicants without cars. This program is continued the 2013-2021 Housing Element; however, in senior complexes the City will require a minimum of one space per unit, plus guest parking.

### **1999 HE Program 1K: New Zoning Code Provisions for Multi-Family Residential Use**

The City proposed to continue to review zoning code development standards to identify and remove disincentives for the development of multi-family units. The City considered relaxing multi-family off-street parking requirements for affordable housing projects on a case-by-case basis.

*Program Accomplishments:* This program was applied to the Second St. mixed-use project (4 units) and the Cantebria Senior Housing (45 units).

*Program Evaluation:* The City will continue review of the zoning code for any incentives and/or disincentives. However, it should be noted that multi-family housing development is eligible for the density bonus program and under the new density bonus law, incentives and concessions to development standards are provided for. Thus, any potential disincentives that can be identified may be mitigated if a



developer seeks out concessions or waivers through the density bonus program. This program is not separately identified in the 2013-2021 Housing Element.

**2005 HE Program 1K: Eliminate Separate Lot or Airspace Ownership Requirements in North Highway 101 Specific Plan**

The North Highway 101 Corridor Specific Plan requires that all new residential detached dwelling units in residential-only developments must be constructed on a legally subdivided lot or must be subdivided to permit ownership of airspace in the form of a dwelling unit with an undivided share in common elements. While this requirement is appropriate for single-family homeownership projects, it may pose as a disincentive to the provision of multi-family housing.

*Program Accomplishments:* The City has not implemented this program.

*Program Evaluation:* This program was included in the 2013-2021 Housing Element. Refer to Program 3C.

**1999/2005 HE Program 1L: Manufactured Housing**

The City proposed to continue to permit manufactured housing units by right in single-family zones, as long as the units meet all zoning and building codes.

*Program Accomplishments:* This is an on-going program.

*Program Evaluation:* This program is continued in the 2013-2021 Housing Element.

**2005 HE Program 1M: Neighborhood Revitalization Opportunities**

The City proposed to designate blighted or declining residential neighborhoods as a “Neighborhood Revitalization Area” to enable HUD funding allocations and other available resources to implement housing rehabilitation, new construction, homeownership opportunities, etc.

*Program Accomplishments:* The City has not implemented this program.

*Program Evaluation:* HUD expects to approve strategies that will achieve substantial improvements in the delineated neighborhood area and will create meaningful levels of economic opportunities. Regardless of Federal appropriation streams or other funding levels, a neighborhood strategy submission for a delineated geographic area of the City is unlikely to be competitive. This program was not included in the 2013- 2021 Housing Element.

**2005 HE Program 1N: Amend Design Review Findings for Residential Projects**

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

*Program Accomplishments:* The City has not implemented this program. However, through the Housing Element “Restart” process, the community expressed some clear support to create design standards for future projects so that the community can be confident that they will fit in with existing neighborhoods.

*Program Evaluation:* This program was included in the 2013-2021 Housing Element. Refer to Program 3C.

**1999 HE Program 2, 2005 HE Program 2b: Encourage Mixed-Use Development and Increase Awareness of Potential for Mixed-Use Development; Assess Feasibility of Expanding Mixed-Use Zoning in Other Parts of the City**

The City proposed to continue to allow for the inclusion of mixed-use development of secondary residential units with development of principal commercial uses. Mixed-use residential provisions could have included requirements or incentives to be affordable. In a high-cost area such as Encinitas, this represented a significant opportunity for the development of multi-family housing.

The City also proposed to assess the feasibility of expanding mixed-use zoning provisions in other areas of the City (in both the 1999 and 2005 Housing Elements).

*Program Accomplishments:* Mixed-use was integrated into the City’s Zoning Code. The Encinitas Ranch, Downtown Encinitas, and North 101 Corridor Specific Plans included provisions for mixed-use development in commercial districts with densities from the residential portion at 15-25 dwelling units per acre, with certain areas not being limited to a specific density. The City works to increase developer awareness of the potential for mixed-use development in Encinitas. Additionally, the City continues to provide technical support to developers proposing mixed-use projects.

*Program Evaluation:* This program is continued in the 2013-2021 Housing Element and should be made a high priority for implementation.

**2005 HE Program 2A: Affordable Housing Overlay Zone**

As part of the 2005-2010 Housing Element, the City conducted an analysis of its land use plan to determine the potential capacity to meet its regional housing needs allocation. The analysis showed that it would be beneficial to augment the higher- density capacity of mixed-use zones by establishing an Affordable Housing Overlay Zone (AHOZ). The AHOZ would designate specific sites for higher residential density, provided that the affordable housing targets established for each site is met through development. The City will identify appropriate sites and apply the AHOZ designation through a zoning ordinance, General Plan, and Local Coastal Program amendment.

*Program Accomplishments:* The City has not implemented this program.

*Program Evaluation:* While an AHOZ is a land use tool that the City can utilize to develop RHNA capacity, an up-to-date sites inventory program was established for the 2013-2021 Housing Element to provide sufficient sites (appropriately zoned) to meet the City’s full, “fair” share of RHNA for the current planning period. However, depending on how the overlay is created, an AHOZ could be a tool to consider implementing better design control or more attainable housing units in rezoned areas.

**2005 HE Program 2C: Coastal Housing Replacement**

As part of the 2005 Housing Element, the City proposed a program to identify resources to provide for the replacement of housing. State law (Government Code Section 65590) requires replacement of low- and

moderate-income housing lost due to conversion or demolition of housing in the Coastal Zone. The replacement requirement is applied to projects of three or more dwelling units (eleven or more if multiple structures).

*Program Accomplishments:* The City has not initiated this program.

*Program Evaluation:* The range of options that could be considered under this activity could include fees for condominium conversions and other replacement housing requirements, especially for affordable housing lost through conversion or removal. This program was included in the 2013-2021 Housing Element. The City advances Government Code Section 65590 by regulating the applicability of these provisions on a case-by-case basis. However, the objective of this program may be something that the City should consider addressing in the next planning cycle.

## 14.4 Homeownership Opportunities

### 1999 HE Program 3, 2005 HE Program 3a: First-Time Homebuyer DownPayment Program

The City proposed to continue to provide the First-Time Homebuyer Program. This program provided down payment and/or closing cost assistance to low- income first- time homebuyers. The maximum loan limit was \$10,000 and the appraised value of the property being purchased could not have exceeded \$269,000. The City placed a second trust deed on the property as security for the loan. Repayment of the loan was deferred until sale, transfer, or non-owner occupancy of the unit. If the buyer resided in the unit for seven full years, the loan was forgiven.

*Program Accomplishments:* The program provided one down payment assistance loan which was used in conjunction with a Section 8 Homeownership Voucher. Due to the steep rise in the price of condominium properties, which had previously been the most affordable units for first-time homebuyers, the subsidy provided by the City was found to be inadequate. In response, the City increased its subsidy level to \$40,000 per household and increased the maximum sales price to \$421,000.

*Program Evaluation:* Housing prices have sky-rocketed in recent years making the first- time homebuyer program all but infeasible even with the increased loan amounts and home valuation. The required subsidy would be so large as to exceed HOME funding limits and would be an inefficient use of limited resources. The gap between the affordable sales price and the median sales price for condominium units is at least

\$200,000. Thus, unless condominium prices decline, it will be difficult to assist first-time homebuyers.

Previously allocated funding for down payment assistance can be made available for the rare circumstance of a qualified buyer purchasing an affordable unit. However, this program should be phased out in favor of directing the City's limited financial resources to more effective uses such as rental assistance or affordable housing development.

### 1999 HE Program 4, 2005 HE Program 3b: San Diego Regional Mortgage Credit Certificate Program (MCC)

The City proposed to continue to participate in and promote the San Diego Regional Mortgage Credit Certificate Program. This program entitled qualified first-time homebuyers to take a federal income tax

credit of 15 percent of the interest paid on the mortgage. The credit reduced the buyers' income taxes and increases net earnings, thereby increasing the buyers' ability to qualify for a mortgage loan.

Qualified applicants had to be first-time homebuyers earning no greater than 120 percent of the area median income.

*Program Accomplishments:* This program was more effective when combined with the Downpayment Assistance program and resulted in the use of six certificates within the City during that time frame. As mentioned above, the surge in home prices over the first part of the 2000s has rendered this program all but infeasible as well. One MCC has been issued in the last seven years.

*Program Evaluation:* The City may continue to participate in the MCC program in the event that a unique opportunity for such assistance presents itself. Given the extremely high property values in Encinitas, the City will not rely on this program to achieve its affordable housing goals. However, the program is ongoing.

#### **1999 HE Program 5: Homebuyer Classes**

The City proposed to continue to sponsor homebuyer classes twice a year to educate citizens about the home buying process and to inform participants of the available home buying assistance programs.

*Program Accomplishments:* A few classes were held during the first half of the 1999- 2005 Housing Element cycle but none have been conducted since. Due to the lack of affordable for-sale housing opportunities in Encinitas, the City decided to discontinue homebuyer classes. Interested persons are now referred to private organizations that hold classes in the area.

*Program Evaluation:* Limited staff resources and surging home prices have forced this program to a low priority activity. This program has not been identified in the 2013- 2021 Housing Element.

## **14.5 Rental Assistance Programs**

#### **1999 HE Program 6, 2005 HE Program 4A: Section 8 Rental Assistance**

The Section 8 Housing Choice Voucher Program is the Federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. The City proposed to continue to administer the Section 8 Rental Assistance Program. This program provided rental assistance to eligible very low and low income households. The subsidy represented the difference between the rent that exceeds 30 percent of a household's monthly income and the actual rent charged.

*Program Accomplishments:* The City added 86 additional vouchers to an existing base of 50 vouchers. Of these new vouchers, 50 initially were "mainstream" vouchers for persons with disabilities. To cover the cost of the program, HUD provided, and continued to provide, funds to allow the City's Housing Authority to make housing assistance payments on behalf of the families. HUD also pays the Housing Authority a fee for the costs of administering the program.

In FY 2008-2009, City Council also approved the use of HOME funds for a tenant-based rental assistance program (see 1999 HE Program 7, 2005 HE Program 4B). The TBRA program replicates the City's Housing Authority Section 8 Housing Choice Voucher Program. TBRA recipients are selected from the top of the

Section 8 waiting list. The TBRA will assist in shortening the wait times for households prior to receiving a Section 8 Choice Voucher.

*Program Evaluation:* This program is continued in the 2013-2021 Housing Element. HUD (the U.S. Department of Housing and Urban Development) has not issued any new vouchers to the City of Encinitas for several 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 by increasing the payment standards and enhancing occupancy standards, which provides more opportunity for rental units. Then, more recently, on March 1, 2013, around \$85 billion in Federal budget cuts known as sequestration took effect. The sequestration cuts are part of a 10-year plan of catastrophic funding reductions to discretionary domestic programs, including HUD and the military. The impact of sequestration on the City's Housing Authority has resulted in the more losses. Although the City will continue to administer its Housing Voucher Program, the City's ability to expand this program or even maintain it at its current level is dependent upon the Federal budget process. Recent indications from HUD are that Federal support for Section 8 will not be expanded. The City currently provides assistance to about 111 households. From 2009 to 2015, the City also administered a TBRA program, subsidizing 7 additional households. When additional funds become available to assist new families, the City will fund additional Section 8 Housing Vouchers.

#### **1999 HE Program 7, 2005 HE Program 4B: HOME Housing Vouchers Program**

The City proposed to continue to fund this program by using vouchers to target very low income households mirroring the Section 8 program. The HOME Housing Voucher program provides 24 months of rental assistance. During this time period, eligible participants could have transferred to the Section 8 program for on-going assistance as vouchers became available.

*Program Accomplishments:* In early 2009, City Council approved the use of HOME funds for tenant-based rental assistance (TBRA) program. This provided rent subsidies to lower-income households that are currently awaiting a voucher on the Section 8 waiting list. The maximum length of assistance is 24 months, and at the time, the approved HOME funding of \$199,356 was going to provide rent subsidies for approximately over a two-year period. The TBRA program replicated the City's Housing Authority Section 8 Housing Choice Voucher Program. TBRA recipients were selected from the top of the Section 8 waiting list. The TBRA assisted in shortening the wait times for households prior to receiving a Section 8 voucher.

*Program Evaluation:* This program was planned to continue in the 2013-2021 Housing Element; however, due to federal changes to the HOME program, Encinitas will not be receiving funding from the County of San Diego to administer HOME programs. As a continued member of the San Diego Regional Consortium, City of Encinitas residents may receive assistance through the County of San Diego's HOME programs. The County-TBRA programs are developed to provide rental assistance to former foster youth between the ages of 18 and 24 and those that are attempting to reunify with their children while in substance abuse recovery.

## **14.6 Quality of Housing**

#### **1999 HE Program 8, 2005 HE Program 5A: Equal Opportunity Housing Marketing/Fair Housing**

The City proposed to continue to require that, as a condition of approval of any new housing development, units be marketed and sold according to procedures designed to promote equal housing opportunities.

The City also proposed to continue to contract with a non-profit fair housing organization to provide outreach, counseling, education, testing for discrimination and assistance regarding fair housing issues.

*Program Accomplishments:* The City disseminated information about fair housing in its housing brochure and on the City website. Brochures also were distributed at libraries, grocery stores, community centers, and other public places. The City contracted with North County Lifeline to provide fair housing counseling and education. The City referred to the Regional Analysis of Impediments (AI) to Fair Housing (completed in 2004 and updated in 2011) as part of its analysis of potential impediments to affordable housing, and the Housing Element addresses the recommendations of that study as part of its program to reduce governmental constraints.

*Program Evaluation:* The program has been successful and should be continued in the 2013-2021. The City will address the impediments to fair housing identified in the AI.

### **1999 HE Program 9, 2005 HE Program 5B and 5C: Emergency Shelter/Transitional Housing Development Assistance**

The City proposed to continue to sponsor or assist emergency shelter and transitional housing facilities, inside City limits or outside within a reasonable proximity. The City encouraged and/or supported facilities by providing siting opportunities, grants, or low cost loans, to operator agencies, grants. The City also proposed to provide financial assistance to the Community Resource Center (a nonprofit service agency based in Encinitas) for case management and the YMCA-Oz North Coast for emergency shelter for homeless and runaway youth. The City will participate in winter homeless assistance programs, either through motel voucher funding and a temporary winter shelter.

*Program Accomplishments:* The City provided funding to several non-profit organizations that provide shelter and emergency assistance. The Community Resource Center (CRC) expanded and renovated its transitional housing program for battered women and their children. The group living program was expanded from 11 to 24 beds. With annual funding from the City, the CRC provides case management, emergency assistance, food assistance, and employment preparation services. The agency also administers a motel voucher program.

The City continued to support other agencies that provide services to homeless persons, including YMCA of North Coast, Fraternity House, and North County Solutions for Change. The latter organization developed a 32-unit regional transitional housing facility in Vista; all six cities in North San Diego County and the County of San Diego contributed funding to the \$4.5 million project. The Family Solutions Center opened in October 2004. The Interfaith Shelter Network operated their annual winter shelter program at area churches. In addition, the City facilitated the use of the Scout Center, located on public property, for the temporary winter shelter.

*Program Evaluation:* The City will continue to support efforts to end and prevent homelessness in the community. SB 2 was passed in 2008 mandating jurisdictions to address housing opportunities for the homeless. The 2013-2021 Housing Element includes a program to the Zoning Code to address the provision of emergency shelters, transitional housing, and supportive housing consistent with SB 2.

### **1999 HE Program 10, 2005 HE Program 5D: Enforcement of Accessible Housing Regulations**

The City proposed to continue to maintain accessible housing regulations and implement California Title 24 provisions for development review and approval.



*Program Accomplishments:* Through its building permit and code enforcement programs, the City enforced the provisions of California Title 24 accessibility requirements.

*Program Evaluation:* This program is ongoing and continued in the 2013-2021 Housing Element cycle in accordance with State law.

## **14.7 Maintenance and Preservation of Housing Programs**

### **1999 HE Program 11, 2005 HE Program 6A: Residential Rehabilitation Program**

The existing affordable housing stock is a valuable resource to the City. The City proposed to continue to fund the County of San Diego residential rehabilitation program. This program provided assistance for low income households to upgrade units to decent, safe and sanitary conditions from a previous below-standard condition. The assistance was available to low-income homeowners and to owners of rental units that will rent to low income households.

*Program Accomplishments:* The County administered a residential rehabilitation program on behalf of the City of Encinitas for many years. Under the County of San Diego residential rehabilitation program, the County made two loans to low-income households in Encinitas.

In early 2009, the City Council approved its own City-administered residential rehabilitation program and opted out of the County program. The City immediately reached out to various community groups and commenced an aggressive marketing/advertising campaign throughout the City's mobile home parks. After two- years of implementation, the City rehabilitated nearly 100 mobile homes, and two single-family residences. The City continues to market/advertise this program to the City's eleven mobile home parks to advance one of the outcome goals of the mobile home park study (see 1999/2005 HE Program 1D: Mobile Home/Trailer Parks).

However, traditional funding appropriation streams have been significantly cut at a Federal level – leaving about \$100,000 annually to fund activities under this program. City staff regularly seeks out additional funding opportunities for rehabilitation of ownership and rental units, including Community Development Block Grants, HOME, etc.; however, currently CDBG is the only funding administered locally. Encinitas will not be receiving funding from the County of San Diego to administer HOME programs.

*Program Evaluation:* As the City's housing stock ages, the need for housing rehabilitation to preserve neighborhood quality will continue to increase. Therefore, the City will continue to promote the rehabilitation programs offered through the City in the 2013-2021 Housing Element cycle. The future effectiveness of this program is derived by available resources and financing. It is estimated that current program funding levels will provide assistance to about five households on an annual basis.

### **1999 HE Program 12, 2005 HE Program 6B: Affordable Unit Policy**

The City has a number of second dwelling units that were constructed or converted illegally (without required permits) and might not meet City codes. Many of these units provide affordable housing opportunities that might not otherwise be available. In response to this issue, the City developed a program for illegal unit conversion. This program allowed homeowners with illegally established second dwelling units on their property to apply for legalization. It allowed the illegal units to exist in perpetuity provided that the units:



- Were placed into service prior to City incorporation in 1986 and have been used as rentals since 1986;
- Complied with the current Uniform Building Code and meet City zoning and development standards to the maximum extent feasible;
- Met the minimum dwelling unit size standards; and
- Were rented to only very low or low-income households.

*Program Accomplishments:* About 40 units were legalized under this program, providing safe housing for lower income households.

*Program Evaluation:* This program will be continued and be made available to property owners in the 2013-2021 Housing Element period. It is anticipated that the number of applications will decrease over time, however, as it will become increasingly difficult to meet the pre-incorporation occupancy threshold. City Council recently revised the compliance program with less restrictive, more preferential terms...but the terms are only valid through 2015.

## 14.8 Financing

### 2005 HE Program 7A: Federal and State Financing

The City will facilitate or support the applications of experienced developers and homeless providers for financing to develop affordable housing.

*Program Accomplishments:* Under this 2005 Housing Element program, it was anticipated the City would meet with potential affordable housing developers, provide site information, assist in the entitlement process, and consider on a case-by-case basis other incentives to include fee waivers and modification of standards. City staff met with several non-profit and affordable housing developers over the course of the 2005-2012 planning period. In addition, the City partnered with several different groups to help construct a 20 unit, Iris Apartment complex. Five of the two-bedroom units and three of the three-bedroom units are at reserved for households at 50 percent of Area Median Income (AMI). Seven of the two-bedroom units, and five of the three-bedroom units are at reserved for households at 60 percent AMI. Through a competitive process, the project was awarded tax-credits totaling \$4,655,490. The City contributed \$350,000 total in loans from two sources; \$194,466 in federal HOME Investment Partnership funds, and \$155,534 in local City Affordable Housing Development funds. The project secured \$1,146,759 in private loans/investments, including land donation. The total cost for the Iris Apartments was \$8,332,699.

*Program Evaluation:* In order to make affordable housing development economically feasible, developers must layer financing from several State and Federal financing sources. The City will continue to facilitate this process under several different 2013- 2021 Housing Element programs.

### 2005 HE Program 7B: Local Financing

The City will investigate potential local sources that will generate dedicated housing revenue to augment the City's affordable housing trust fund.

*Program Accomplishments:* As part of the City activities associated with this program and Program 7A from the 2005 Housing Element, the City met with potential affordable housing developers.

*Program Evaluation:* Sources to augment the City's affordable housing fund include a couple of different funding opportunities. This updated Housing Element contains programmatic provisions to consider the inclusionary housing program and will consider other tools to achieve the stated purpose of increasing funding opportunities. While this updated Housing Element does not identify a program to evaluate a coastal replacement/conversion fee, it is anticipated that this provision will be addressed in the near future.

## 14.9 Quantified Objectives in Past Housing Element Cycles

Housing Element law required that quantified objectives be developed with regard to new construction, rehabilitation, conservation and preservation activities that will occur during the Housing Element cycle. **Table B-54** summarizes the City of Encinitas' quantified objectives for past Housing Elements, **Table B-55** summarizes the City's actual accomplishments in construction, and **Table B-56** summarizes the City's accomplishments in housing rehabilitation, preservation, and other assistance.

Table B-55: Historical Quantified Objectives					
	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Totals
<b>1999-2004</b>					
New Construction	441	340	366	437	1,584
Rehabilitation	-	7	n/a <sup>1</sup>	n/a <sup>1</sup>	7
Conservation					
Section 8	100	-	-	-	100
"At Risk" Units	-	40	-	-	40
<b>Totals</b>	<b>541</b>	<b>387</b>	<b>366</b>	<b>437</b>	<b>1,731</b>
<b>2005-2010</b>					
New Construction	392	299	324	697	1,712
Rehabilitation	-	25	n/a <sup>1</sup>	n/a <sup>1</sup>	25
Conservation					
Section 8	156	-	-	-	56
<b>Totals</b>	<b>448</b>	<b>324</b>	<b>324</b>	<b>697</b>	<b>1,793</b>
1. The City only set quantified objectives for very low and low income rehabilitation that occurred with assistance through the rehabilitation program. Moderate and above moderate income rehabilitation may still have occurred.					

### 14.9.1 New Construction

Two overlapping RHNA cycles occurred within the period of 1999 through 2012. **Table B-55** summarizes the City's housing production during each RHNA cycle. While the RHNA adopted by SANDAG over these two time periods was consistent with SANDAG's projected growth for the City for the Series 10 and Series 11 Growth Forecasts, actual residential development from 2005-2012 fell below these forecasted levels. As shown in **Table B-55**, 1,621 new units were constructed during the 1999-2004 RHNA cycle. While the total number (1,621) nearly exceeded the City's RHNA (1,584), the production fell in the lower and moderate-income categories. Housing growth during the 2003-2010 RHNA cycle slowed, largely due to the severe downturn in the housing market. For this time period, the City did not meet its overall RHNA (1,712), and it did not meet its goal by income category.

Table B-56: Actual Units Constructed (1999-2012)		
7/1/99 - 6/30/04	Regional Share Goal	New Construction
Extremely Low	n/a	--
Very Low	441	21
Low	340	27
Moderate	366	--
Above Moderate	437	1,573
Totals	1,584	1,621
7/1/04 - 6/30/12	Regional Share Goal	New Construction
Extremely Low	n/a	--
Very Low	392	59
Low	299	37
Moderate	324	19
Above Moderate	697	965
<b>Totals</b>	<b>1,712</b>	<b>1,010</b>

### Rehabilitation

Since 2009, the City funded rehabilitation of three single-family units (funding improvements to one extremely low-income household and two low-income households) and funded the rehabilitation of 96 mobile home/trailers, and one condominium. During the past ten years, low interest rates available on the market made it less attractive for homeowners to pursue the government-assisted loans due to the added eligibility, occupancy, and income restrictions. However, as the City's housing stock ages, the need for housing rehabilitation to preserve neighborhood quality will continue to increase. Therefore, the City will continue to promote the rehabilitation programs offered through the City during the next Housing Element cycle. Currently, two additional rehabilitation projects (mobile homes) are under consideration for funding.

### Conservation

The City's quantified conservation objective was 140 households from 1999-2005 and 56 from 2005-2010. In 1999, this objective included 100 Section 8 Housing Choice Vouchers (rental assistance vouchers) and the conservation of 40 affordable units. In 2005, this objective included 56 Section 8 Housing Choice Vouchers. During the reporting period, the City retained all rental assistance budget authority (136 Section 8 and 20 HOME vouchers) and successfully conserved 16 affordable units through acquisition. Additionally, the City assisted six low income families in purchasing a home. Please note that **Table B-56** does not provide rehabilitation information on the mobile homes/trailers that have been assisted over the same time period.

Table B-57: Actual Rehabilitated and Assisted Units (1999-2013)				
7/1/99 - 12/31/2012	Preservation	Homebuyer	Rent Assistance	Rehabilitation
Extremely Low	6	--		1
Very Low	156			
	7	--		--
Low	3	13	--	2
Moderate	--	--	--	--
Above Moderate	--	--	--	--
<b>Totals</b>	<b>16</b>	<b>13</b>	<b>156</b>	<b>3*</b>
*The City only identifies quantified objectives for single-family and multi-family rehabilitation. The City also rehabilitated 96 mobile homes and trailers from 1999 to 2013. Moderate and above moderate income rehabilitation may still have occurred.				