

Attachment C:

Section 3 – Housing Plan (Current Version; No Changes)

HOUSING PLAN

This section of the Housing Element summarizes the current and projected housing needs for the City. The Element also estimates the number of households that meet Federal or State criteria for special consideration when discussing specialized needs. In addition, certain constraints which may discourage the construction of new housing are described. These constraints may include a wide range of factors that may increase the cost of new residential development. Finally, opportunities that will further the development of new housing are examined.

Housing Needs

A number of factors will influence the degree of demand or "need" for new housing in Encinitas in coming years. The four major "needs" categories considered in this Element include:

- Housing needs resulting from increased population growth, both in the City and the surrounding region;
- Housing needs that result when households are paying more than they can afford for housing;
- Housing needs resulting from the presence of "special needs groups" such as very large families, female-headed households, or households with a handicapped person; and
- Housing needs of the homeless or those households requiring temporary shelter.

Population Growth

*Paragraph
Amended
7/10/91
12/4/91
4/16/92
6/16/93
1/26/94
6/22/94
7/16/03
8/24/05
10/10/07*

Implementation of the Land Use Element of the Encinitas General Plan will result in significant increases in population based on residential development permitted under the land use policy. Under land use buildout at mid-range densities, the General Plan would accommodate a total of approximately 26,356 dwelling units, supporting an estimated population of 66,416 persons. With the mid-range density buildout, the total of 26,356 housing units represents an additional 7,391 units (39% increase) which can be added to the City's existing (1987) stock. The estimated mid-range buildout population of 66,416 persons represents an additional 18,007 persons (35% increase) over the City's 1987 population.

Paragraph
Amended
12/4/91

Table 3 indicates the mid-range capacity for each the five communities comprising the City. Note that this table shows community increase from a 1986 base year.

During the 1980s, Encinitas was one of the fastest growing cities in San Diego County. The City's 1980 population of 36,318 increased to 51,341 in 1987, representing a 41% increase (or 15,023 persons) in the seven-year period. The majority of this population growth is a result of new residential development attracting additional persons into the City. According to SANDAG, there were an estimated 19,961 housing units in Encinitas in 1987, representing an increase of approximately 40% (or 5,728 dwelling units) since 1980.

According to SANDAG's Series 7 Regional Growth Forecast, the City of Encinitas is projected to grow to a population of 65,126, with an associated housing stock of 25,493 dwelling units; these projections would be accommodated (within 2%) under mid-range buildout of the Land Use Element.

Substandard Units

The overall condition of the City's housing stock is very good. Over 80% has been constructed since 1960 and thus not likely in need of substantial rehabilitation. According to the 1980 Census, only 3% of the City's housing units lacked complete plumbing, heating, or kitchen facilities.

A housing condition survey was conducted in October 1987, to assess the number of substandard units in the City. Several substandard units were identified in isolated pockets, primarily in Leucadia and Old Encinitas. The majority of substandard units appeared to have only intermediate defects and could benefit from rehabilitation, with a few units so severely dilapidated as to warrant demolition.

This Housing Element sets forth policies to encourage the maintenance of the City's existing housing stock. Specific policies include:

- ° Require upgrading of substandard units which present health and safety hazards.
- ° Promote vigorous enforcement of building, safety and housing codes.
- ° Support rehabilitation programs which provide financial assistance to lower income property owners and owners of affordable rental units.

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TABLE 3
RESIDENTIAL DEVELOPMENT CAPACITY BY COMMUNITY

Community	Mid-Range Population	Mid-Range Du Capacity	Net Increase (1)	
			Population	Number of Units
Cardiff	12,780	5,071	+3,283	+1,256
Leucadia/Sphere	14,137	5,610	+4,068	+1,102
New Encinitas/Sphere	22,030	8,742	+6,433	+3,470
Old Encinitas/Sphere	13,397	5,316	+3,701	+1,186
Olivenhain/Sphere	<u>4,075</u>	<u>1,617</u>	<u>+ 522</u>	<u>+ 377</u>
City	66,419	26,356	18,007	7,391

(1) Existing - 1986 SANDAG

Source: Cotton/Beland/Associates, Inc., 1987.

Table Amended 7/10/91, 12/4/91, 4/16/92, 6/16/93, 1/26/94, 6/22/94,
9/21/94, 7/16/03, 8/24/05 and 10/10/07

Affordability

State and Federal standards for housing overpayment are based on an income-to-housing cost ratio of thirty percent and above. Households paying greater than this amount will have less income left over for other necessities, such as food, clothing and health care. It is recognized, however, that upper income households are generally capable of paying a larger proportion of their income for housing, and therefore estimates of housing overpayment generally focus on lower income groups.

Table 4 presents information on households in Encinitas which paid greater than 30% of their income on housing in 1980. As could be expected, the lower the income group, the greater the proportion of households which overpaid for housing. Among households earning less than \$10,000, 77% overpaid for housing, whereas 48% in the \$10,000-\$19,999 income category overpaid and only 15% earning greater than \$20,000 overpaid. Within the two lowest income ranges (which encompass low and moderate income households), a significantly greater proportion of renters overpaid for housing than did owners. Renter households with annual incomes of less than \$10,000 were the most impacted in terms of housing affordability, nearly 92% overpaying for housing.

SANDAG develops estimates of housing need for all jurisdictions in the San Diego region (see discussion below). Included are estimates of need based on affordability. The Regional Housing Needs Statement prepared by SANDAG allocates each jurisdiction's "fair share" of affordable housing requirements, "fair share" referring to the number of low and very low income households requiring housing assistance by the jurisdiction. The 1990 Regional Housing Needs Statement established a five year goal for Encinitas to assist 533 fair share households within this Element's period (through 1994). Based on estimates of housing need for low income elderly and female-headed households, a

TABLE 4
HOUSING OVERPAYMENT

INCOME/COST	TOTAL		RENTER		OWNER	
	#	%	#	%	#	%
Less than \$10,000, Spent 30% or more	1728	76.7%	1,271	91.8%	457	52.6%
\$10,000 - \$19,999, Spent 30% or more	1620	48.3%	1,154	54.8%	466	37.3%
\$20,000 and above, Spent 30% or more	875	14.7%	88	5.4%	787	18.3%

Source: U.S. Bureau of the Census, 1980.

minimum of 5% of assisted housing units should be targeted for the elderly and 40% for female households with children, for a five year goal of 27 and 213 units respectively.¹

SANDAG Regional Needs and Fairshare Estimates

Section 65583(a) of the California Government Code requires that a City's Housing Element contain a determination of the City's share of the regional housing need. Section 65584 requires that the estimate of need be prepared by the local council of governments, based on data provided by State HCD. SANDAG, as the San Diego region's council of governments provides its estimates in a periodic report titled the Regional Housing Needs Statement (RHNS). The latest RHNS for the San Diego Region is the 1990 RHNS.

The 1990 RHNS terms the estimated share of need the "regional share." This is an estimate of the "increase in the number of housing units needed" (RHNS, Ch. 3, Sec. B). The estimated regional share for Encinitas is 1406 for a five year period, broken down by household income categories as follows:

Very Low Income	323
Lower Income	239
Moderate Income	295
Other (Upper) Income	<u>549</u>
TOTAL	1406

These income categories are the "standard" ones as defined by HUD and accepted by State HCD. Very low are incomes below 50% of the median income for the region. Low are between 50% and 80% of the regional median. Moderate are between 80% and 120%, and other (upper) are above 120%. These four income categories are referred to frequently in

¹As the HAP for the San Diego region does not separately break out the housing needs of special needs groups for the City of Encinitas, 1980 Census data was used to estimate the number of elderly and female headed households in need of housing assistance. Households for whom poverty status is determined was the closest correlation to households in need of housing assistance available in the Census. The proportion of elderly and female-headed households in poverty to total households in poverty was used as an estimate of the proportion these groups comprise of total households in need of housing assistance.

this Element, chiefly in the discussions of housing constraints and housing opportunities. The conclusions of these discussions are that the City has, within its given constraints, planned an adequate "base" of land use to be able to satisfy housing needs. The City's growth management system fully exempts units affordable to low and very low income households from the annual allocation system. The units allowed and otherwise exempted by the growth management system, and expected to be issued over the next 5 years, will more than satisfy the remaining regional share.

The limitations to realizing adequate housing opportunities are the market constraints noted under Housing Constraints (below) which keep affordable opportunities from being available to low and very low income households. This endemic problem is recognized in the 1990 RHNS, which in addition to the "regional share" establishes a "fair share" determination for each city in the San Diego Region. Different from the "regional share" estimate, the "fair share" estimate applies to the target income-category households of very low and low, only. It recognizes existing (1988-89) need as well as additional need generated over the next 5 years, and is applicable to housing programs which provide housing opportunities through construction, rehabilitation, conservation, and direct household support.

The fair-share five year goal estimated for Encinitas is 538. This is defined by the RHNS as a "level of effort by a local agency that would be acceptable as reasonable progress towards meeting its housing needs." As outlined in the Housing Programs section (below), the City of Encinitas' housing programs are a comprehensive approach to providing and conserving affordable housing opportunities through construction, rehabilitation, and direct household support.

The 1990 RHNS is scheduled for final adoption by the SANDAG Board in April of 1990. It is not expected that the above regional share numbers will change. However, any alteration will be addressed in new analysis and adoption, as necessary, with the required review of the City's Housing Element in 1991.

Energy

As residential energy costs continue to rise, increasing utility costs reduce the affordability of housing, thus aggravating the City's current shortage of affordable units. The General Plan sets forth goals and policies which encourage the conservation of non-renewable resources in concert with the use of alternative energy sources to increase energy self-sufficiency. In addition, the City utilizes Title 24 energy standards for residential construction to minimize energy consumption.

Special Needs Groups

Certain segments of the population may have a more difficult time finding decent, affordable housing due to special circumstances. State law mandates that the Housing Element analyze the special housing needs of such groups as the elderly, handicapped persons, large families, agricultural worker households, female headed households, and the homeless. In addition to these groups, this section will look at racial/ethnic groups' special needs and the needs of an additional group called migrant day-laborers.

Elderly: The special needs of many elderly households result from their lower, fixed incomes, physical disabilities, and dependence needs. In 1980, Encinitas had 2,185 residents age 67 and above, representing 6.0% of its total population. The housing needs of this group can be answered through the provision of smaller units, second units on lots with existing homes, shared living arrangements, congregate housing and housing assistance programs. As previously noted, the City's annual housing assistance goal for low income elderly housing should be a minimum of 4 dwelling units.

Handicapped: The 1980 Census identifies 1,454 persons living in Encinitas who suffer from disabilities which would likely affect their housing needs. Housing opportunities for the handicapped can be maximized through housing assistance programs and providing design features such as widened doorways, ramps, lowered countertops, single-level units, and ground floor units.

Large Families/Unit Overcrowding: Large families are identified as a group with special housing needs based on the limited availability of adequately sized, affordable housing units. Large households are often of lower income, often resulting in the overcrowding of smaller dwelling units and in turn accelerating unit deterioration. Approximately 8.6% of the City's households in 1980 had five or more members; overcrowded households comprised 1.4% of total 1980 households.² The City's single-family neighborhoods exhibited the highest concentration of large families (Olivenhain, New Encinitas, and Cardiff east of I-5), each of these areas characterized by 12-13 percent large family households. Unit overcrowding in these areas is minimal, indicating that unit sizes are generally adequate to accommodate large families. Conversely, inland Leucadia (east of I-5) is characterized by a significant proportion of large family households (19%), combined with unit overcrowding of nearly five percent and a housing stock of over one third rentals. This indicates the need for larger rental units in inland Leucadia and/or subsidies to allow for large households to afford adequately sized units.

Farmworkers: The special housing needs of many agricultural workers stem from their low wages. Their housing needs, then, are for affordable low-cost housing, and housing tied to the agricultural/horticultural operations which generate their presence in the local housing market.

Farm employment in Encinitas is almost exclusively related to horticultural operations, and particularly the flower growing industry. In general, employees in the City's horticultural industry are reported to be skilled to highly skilled, long-term workers with established roots in the community. Most nurseries reportedly do not hire "off the street" day laborers because of their inexperience with perishable commodities, (e.g. flowers, herbs) and their transient nature. The City's flower growing operations report that they employ a stable, year-round labor force.

²The U.S. Census defines overcrowding as households with 1.01 persons per room or greater.

The 1980 Census identified 1,116 persons in the farming, forestry and fishing occupations, representing 3.1% of the City's population. The 1990 RHNS (SANDAG) identifies 3,164 persons in this occupation category in 1988, or approximately 6% of the City's population, however, and a very high 11.7% of all employment in this category throughout the San Diego Region. The RHNS produced its 1988 numbers as an extrapolation of 1980 census data for a "census designated place" noted as Encinitas. The boundaries of this area, however, were far different from the City as incorporated, and such an extrapolation would be false. For this reason, the Housing Element uses 1980 census data for a group of census tracts which very closely match incorporated City limits. For this reason, the proportion of agricultural workers indicated above from census tracts as opposed to the RHNS figures should be used.

The City has developed specific provisions in its zoning ordinance to facilitate housing for its agricultural worker population. The City's agricultural employee housing ordinance allows for such housing as a permitted accessory use in conjunction with an agricultural or horticultural operation. Such housing generally takes the form of mobile homes located on the farm property. The Housing Element sets forth a program to review the current standards/limitations in this ordinance to provide incentives for the creation of accessory agricultural worker housing. Housing opportunities for agricultural workers can further be expanded through implementation of programs to provide affordable housing opportunities.

Female-Headed Households: Female-headed households tend to have low incomes, thus limiting housing availability for this group. The 1980 Census identified 1,261 female-headed households in Encinitas, representing 8.6% of all households in the City. Of these female households, approximately 18% were identified as earning incomes below the poverty level, with 97% of these households supporting children. The housing needs of female-headed households of lower income can be addressed through additional affordable housing programs, as well as through the provision of affordable day care options. As noted above, the City's final housing assistance goal for low-income female-headed households should be a minimum of 30 dwelling units.

Homeless: Throughout the country, homelessness has become an increasing problem. Factors contributing to the rise in homelessness are thought to include the general lack of housing affordable to low and very low income persons, increases in the number of persons whose incomes fall below the poverty level, reductions in public subsidy to the poor, and the de-institutionalization of the mentally ill.

The needs of the homeless are, most immediately and obviously, for decent and sanitary shelter. This can be in the form of emergency or transitional facilities. More fundamentally and long-term, the homeless need to have the economic and sociological problems related to their homeless condition addressed. This includes the need for adequate employment, and can include the availability of transportation and child care.

The number of homeless in the City is difficult to measure precisely; however, estimates can be provided. The Community Resource Center in Encinitas provides services and temporary shelter vouchers to homeless individuals and families in the community. They report receiving approximately 500 requests in 1989 from persons seeking emergency assistance for items such as food, shelter, clothing and bus fare. This represents a significant increase from prior years when emergency assistance requests were significantly lower (332 requests in 1988, 291 in 1987, and 220 in 1986). The Center serves approximately 125 persons annually in an emergency shelter voucher program. Only legally documented persons can qualify for the shelter program, and applicants must be drug and alcohol free. The Center reports a range of individuals seeking temporary housing assistance, including single mothers, families and couples. These groups can largely be classified as "temporary homeless", on the streets between one and six months with the major cause of homelessness related to unemployment, or underemployment. According to the Center, few single men or Mexican immigrants apply for shelter, and few "chronic" homeless have applied for assistance. There is no other program currently in operation, directly by the City or under agreement with the City, which provides homeless placement. It is unknown whether other shelter operations in this part of the region (see the Housing Element Technical Report) receive placement of homeless households from the City. The "worst-case" scenario based on the above, then,

is that there are approximately 375 unaddressed client contacts annually emergency shelter assistance. The level of service from the CRC voucher program (2-3 months of housing counseling and access to services to resolve problems causing homelessness) suggests that it serves as a transitional shelter program as well, so the unmet need for transitional shelter is, also, an estimated 375.

The number of temporary homeless seeking assistance from the Community Resource Center indicates a significant need which warrants programs to ameliorate. Programs set forth in this Element are designed to address the housing and social service needs of the homeless. Included are programs to accommodate and encourage transitional housing services. A transitional housing facility provides shelter for specified period of time (perhaps as long as one year) and generally includes integration with other social services and counseling programs to assist in the transition to self-sufficiency through the acquisition of permanent income and housing. The City can help address this identified need by providing supplementary funding to the Community Resource Center, and encouraging the development of a transitional housing facility. In addition, by providing programs to maintain and expand affordable housing opportunities, the City can help to curtail additional persons and families from becoming homeless in the future.

Migrant Day Laborers: Related to the issue of agricultural worker and homeless populations within the City are the numerous Hispanic immigrants which seek work as day laborers in Encinitas and other North County locales. Because of the City's proximity to the Mexican border and location along a major transportation route, Encinitas provides a convenient temporary place to stop and rest and seek work before moving on to industrial or agricultural jobs further north. The presence of open spaces for transient campsites and of available jobs, even day-jobs for temporary employment, makes Encinitas attractive to these workers, documented and undocumented.

In October, 1986, the Encinitas City Council established an Undocumented Workers Task Force to study this population. The Task Force was able to obtain substantial information related to "visible" day-workers - those who live in temporary illegal encampments in and around the City and those who stand on the streets waiting to be offered work (for example, on Encinitas Boulevard and El Camino Real). Less visible undocumented and documented immigrants do exist in Encinitas who have obtained more permanent employment and housing, allowing them to "blend" into the community.

Some of the most salient findings of the Undocumented Workers Task Force study, completed in 1987, are:

1. The "visible" population of day laborers is estimated to be as many as 600 to 800 individuals during high seasons of employment, dropping to between 200 to 400 persons during low employment periods.
2. Based on in-person interviews, most of these people apparently find intermittent, temporary employment in yard work, construction/site clean-up, landscaping and other types of day labor. The nature of such intermittent employment, when available, is such that migrant day-laborers are likely unemployed more frequently than employed; nor is labor, when available, necessarily within the City of Encinitas. The flower growing operations in Encinitas were reportedly not a major source of employment as they typically employ a more permanent, stable workforce. While many of the City's nurseries are believed to employ undocumented workers, the majority of horticultural workers have been employed for over 5 years.
3. Although there have been reports of occasional nuclear family groups in transient campsites, all of those studied by the Task force had only male occupants. These men were typically in their twenties and early thirties, though a few were in their forties and fifties.

4. The transient camps varied greatly with respect to the length of time their occupants remained in each. Camps occupied by residents from the more northerly Mexican states were characterized by brief resident stays - a few weeks to a few months - and high turnover. By contrast, another small camp reportedly had occupants who typically remained for eight months to a year.

In summary, the City has a significant population of documented and undocumented migrant day laborers. The City can not provide housing assistance for this group until they gain legal status. Laborers which do qualify for amnesty can take advantage of City services, such as the City's new employment hiring hall and housing assistance for lower income household.

Race/Ethnicity: Different racial or ethnic groups can also constitute special needs groups for housing, if their concentrations are significant enough and if housing circumstances warrant. The 1990 RHNS from SANDAG estimates the following percentages of racial/ethnic groups in the City of Encinitas and in the County as a whole:

	City	County
White	81%	68%
Black	<01%	5%
Hispanic	14%	17%
Asian/Other	4%	9%

1980-88, percentage increases

	City	County
White	38.4%	16%
Black	57.4%	23%
Hispanic	61.5%	45.5%
Asian/Other	93.9%	89.5%

The Hispanic population in Encinitas is growing more quickly than in the County and the growth rate is high. Since this group represents a significant proportion of the population, that rate of change will have a noticeable impact on the make-up of the population. These figures do not include the migrant population.

The Asian/Other population is growing quickly in the City and the County and will, over a longer period of time, also become a sizable group to include in planning for services.

The needs of racial/ethnic households based on income can be addressed by City housing programs based on income levels. To fulfill the goal of equal opportunity of housing regardless of race/ethnicity, City programs to promote equal opportunity are included in this Element.

**Section
Added
6/17/92**

Units at Risk

Another defined area of housing need is represented by the potential loss of existing affordable housing units. In the City's existing housing stock there are units already affordable to "target" low and very-low income households, and to moderate-income households. Most are rental or for-sale units whose prices are unregulated by other than market forces. Programs are included in this Element to encourage the conservation and continued affordability of existing affordable market-based units (e.g., implementation of State coastal housing regulations).

A relatively small number of existing affordable units in the City are guaranteed affordable. These are housing units in projects which received some form of government subsidy when originally built or financed, in return for a specified number of units being rent restricted to be affordable. The Housing Element Technical Report presents a detailed discussion of these existing units and their projects.

State law requires that local housing elements analyze such guaranteed-affordable housing projects, to determine whether any are subject to expiration or early buy-out of their guaranteed-affordable status within the next 10 years. Guaranteed-affordable units subject to this impending expiration or buy-out are "at risk" of being lost as affordable housing units. Of the four guaranteed-affordable projects in the City, two are subject to expiration or buy-out within 10 years, specifically in 1993:

Name: SU CASA POR CORTEZ
Address: 620 Melba
Reserved
Units: 30 of the 30 units are guaranteed affordable. Twelve units must be rented to very low income tenants. Eighteen other units are rented at 30% of tenant income which is certified upon occupancy.
Major Use Permit: P71-420
County Contract #: (Building Permit numbers 16735, 16739, 16740, 16741, 16733, 16737)
Date of Agreement: 10/19/73
End of Contract: 20 years after completion, approximately 1993.
Contact Person: Ms. Dow, Management Agent 724-0889

This project was financed under the federal Section 236 program. As such, its allowance to expire is limited by new federal HUD limits adopted in 1990, including an 18-month notice and waiting period.

Name: TORREY PINES RACQUET CLUB APARTMENTS
Address: 1720 El Camino Real
Major User Permit: P79-041
County Contract #: 19680-A
Reserved Units: 37 one-bedroom units in the 186 unit complex are for lower and moderate income. Sixteen of the 37 units are for lower income households. The rents on these are restricted to 30% of 80% of the median income.
Date of Agreement: 4/18/83
End of Contract: Ten years from date of Certificate of Occupancy, 1993
Contact Person: George Hahn, Property Director 481-5200

This project was approved as density bonus project by the County in return for the affordable units. No other subsidy or financing by government was provided for this project, therefore, expiration is not limited by the strict rules and limits set up for federally-subsidized projects.

State housing law requires that an analysis be provided of the cost of replacing "units at risk" with newly-constructed guaranteed-affordable rental housing, compared to the cost of preserving the existing units. According to HCD, if it is not possible to estimate preservation costs directly, it is permissible to describe whether such costs are anticipated to be higher or lower than replacement estimates, and for what reason, as well as the magnitude of the difference in estimates.

H-30

Replacement Cost Estimates - A total of 46 rental housing units are potentially at risk of conversion to market rate housing in the City of Encinitas. To estimate the "cost of producing new replacement housing", a sample pro-forma was prepared for a 100-unit rental development. This prototypical development includes 49 units with rents set at 50% of the median income. The rents collected by the owner of this hypothetical development would support a first mortgage loan of \$3,687,494. The total development costs, not including land, are estimated at \$6,267,472 (or \$62,674 per unit). Thus, there is a financing gap of \$2,579,978, or \$26,000 per unit, before land costs are taken into account.

Estimates of land costs can be highly variable, depending on location, density allowance, market conditions, and other factors. Controlling for these and assuming an averaged project density for multifamily development in Encinitas at about 15 units per acre, studies in 1989 and 1991 suggested per-unit land costs at \$70,000. Even assuming much more favorable factors, per-unit land costs for replacement construction are apparently several tens of thousands of dollars per unit. Combined with the financing gap identified above it appears that subsidization for replacement construction of "units at risk" could exceed \$70,000 per unit.

SAN DIEGO COUNTY LOW INCOME HOUSING
Pro-Formula Cash Flow Statement December 18, 1991

Unit Type	Units	SF	Total	Rent	Annual
Plan			Total		Annual
Unit Type	Units	SF	SF	Rent	Rent
A 1 br. unit @50%	12	650	7,800	379	54,576
A 1 br. unit @Mkt.	13	650	8,450	625	97,500
B 2 br. unit @50%	25	880	22,000	405	121,500
B 2 br. unit @Mkt.	25	880	22,000	775	232,500
C 3 br. unit @50%	12	1,080	12,960	432	62,208
C 3 br. unit @Mkt.	13	1,080	14,040	875	136,500
<i>Common Area</i>			17,450		
Totals:	100		104,700		

Gross Income	704,784
Other Income	6,000
Vacancy @5%	35,239)
Effective Gross Income	675,545
Operating Expenses (excluding RE Taxes and Reserves)	(180,000)
Replacement Reserve	(32,619)
Real Estate Taxes	(80,000)
NET OPERATING INCOME	382,926
Debt Service @8.75% 30 yr. am.	348,114
Debt Service Coverage	1.10
Operating Expenses per unit (including taxes and reserves)	(2,926)
<i>Maximum Permanent Mortgage</i>	3,687,494
<i>Estimated Construction Loan</i>	3,350,601

**SAN DIEGO COUNTY LOW INCOME HOUSING
Sources and Uses and Funds**

Sources of Funds:

First Mortgage Financing	58.84%	
3,687,494		
Financing Gap	41.16%	2,579,978

Total Sources of Funds:

Uses of Funds:

Land acquisition*	0*
Architectural and Engineering	125,000
Building Permits and Local Fees	500,000
Site Work	100,000
New Construction @\$45 per GSF	4,711,500
Appraisal	7,500
Taxes during Construction	10,000
Escrow, Title Insurance and Recording	25,000
Rent Up Account	246,674
Marketing	50,000
Construction Interest @10% - 12 months	201,036
Construction Loan Points - 2%	67,012
Permanent Loan Points - 2%	73,750
Other Financing Costs	100,000
Contingency	50,00
Total Uses of Funds:	6,267,472

* See discussion above on land costs

Preservation Costs Estimates - The estimate of preservation costs depends on whether acquisition would be accomplished or incentives provided to owners. The preservation of the Section 236 project is essentially regulated by Federal law, including the possibility of acquisition by a non-profit housing sponsor. However, acquisition of the Torrey Pines projects would be impractical since only 16 of the 186 apartments are rent-restricted. Incentives to the owners could be attempted such as rental assistance to bridge the gap between the market rents and what lower income households could afford to pay based on 30% of their income expended on housing. Assuming that the "gap" were \$250 per month, a rental assistance program to preserve the affordability of 16 apartment units would cost \$111,000 annually ($\$250 \times 12 = \$3,000$ per household $\times 16$ units/households = \$48,000). Over a 20 year period this could be a total of \$960,000, or \$60,000 per unit.

With this information, the City may concentrate programs for "units at risk" toward the renewed subsidy of these existing units rather than construction of new guaranteed-affordable units.

The City's ability to exclusively provide for the renewed affordability of "units at risk" is severely restricted by funding limitations. (Please see discussion on funding for units at risk under the Housing Programs, Funding Source section of this Element.) Federally-subsidized projects including Su Casa Por Cortez are covered under the Federal Low Income Housing Preservation and Residential Homeownership Act of 1990 (LIHPRHA). In addition to applying stringent pre-payment/expiration restrictions to these projects, LIHPRHA also provides for federal monetary incentives to project owners, to either renew the guaranteed affordability of their units, or to mandate project sale to qualified purchasers (such as housing non-profits) who would also promise to renew guaranteed affordability in return for federal financing. The year-to-year funding of LIHPRHA through Federal appropriations must still be provided. The Torrey Pines Racquet Club Apartments were not government-financed, and are therefore not subject to LIHPRHA.

State law requires a discussion of non-profit agencies or corporations which may be available as "preferred purchasers" of projects with units at risk. To date, Encinitas has only a brief history of direct work with housing programs and operators, and has not developed the contacts and depth of

experience which other cities have. Nonetheless, the following local non-profit agencies have expressed recent interest to the City regarding different housing programs:

North Coast Housing
P.O. Box 231053
Encinitas, CA 92023

Esperanza Housing and Community Development
11085 Sorrento Valley Court
San Diego, CA 92121

San Diego Interfaith Housing Foundation
P.O. Box 81-001
3051 Reynard
San Diego, CA 92138

Alpha Project for the Homeless
299 Seventeenth Street
San Diego, CA 92101

The City will not be limited to these non-profits only, but rather will pursue any interested operator should the above "at risk" projects be sold.

Paragraph
Amended
6/17/92

Summary of Special Needs

The preceding analysis indicates that of primary concern in addressing the housing needs of special needs groups is the provision of affordable housing (see Table 5). This Housing Element sets forth a series of policies targeted at maintaining and enhancing the City's stock of affordable units. Specific policies include:

- ° Encouraging the development of a wide variety of housing types and price ranges to meet the diverse needs of residents.
- ° Ensuring that an adequate mix of rental housing may be maintained by discouraging the conversion of apartments to condominium ownership.
- ° Encouraging self-help housing programs.
- ° Establishing a separate mobilehome park zone for certain existing mobile home parks and an overlay zone for other parks to encourage their retention.

- ° Pursuing available means to encourage the continued affordability of "units at risk."

Housing
Constraints

Actual or potential constraints on the provision and cost of housing affect the development of new housing and the maintenance of existing units for all income levels. Environmental constraints may also limit growth. These other factors that constrain future residential development are discussed below.

Non-Governmental Constraints - Market Constraints

The high cost of renting or buying housing is the primary ongoing constraint to providing adequate housing in the City of Encinitas. High construction costs, land costs, labor costs and market financing all contribute to a decrease in the availability of affordable housing. The nature of the private housing market, itself, is a most significant contributor to high housing costs; seemingly unquenchable demand for housing in coastal communities, and the quite natural aim of housing developers to the profitability of their business, mean that lower or no-profit housing for low and very low income households is not likely to be provided.

TABLE 5
SUMMARY OF SPECIAL NEEDS GROUPS

Needs Group	Number of Households/Persons	% of Total Households/Persons
Handicapped	1,454 (P)	4.0
Elderly (65+)	2,185 (P)	6.0
Large families (5+ members)	1,223 (H)	8.6
Agricultural Worker	1,116 (P)	3.1
Female-headed	1,261 (H)	8.6
Homeless	500+(H)	2.4
Migrant Day-Laborers	800 (P)	1.5

Note: Percentages will not total 100% since each category is mutually exclusive. A single household may appear in more than one category. Data for handicapped, elderly, large families, agricultural workers and female-headed households are from the 1980 census. Data for homeless and migrant day-laborers are 1989 base year.

Sources: Cotton/Beland/Associates
U.S. Bureau of the Census
SANDAG, Series VII

Paragraph
Amended
6/17/92

Construction Costs: According to the Construction Industry Research Board (CIRB), throughout California the cost of building materials comprises between 40 to 50 percent of the construction costs and approximately 27% of the total sales price of a new home. Statewide construction costs rose over 30 percent between 1980 and 1988, with the rising cost of energy a significant contributor. Construction costs for wood frame, single-family construction of average to good quality range from \$40 to \$55 per square foot, custom homes and units with extra amenities running somewhat higher. Costs for wood frame, multi-family construction average around \$42 per square foot, exclusive of parking.

A reduction in per-unit square footage, amenities and quality of building materials (above a minimum acceptability for health, safety, and adequate performance) could result in lower sales prices. Additionally, pre-fabricated, factory built housing (such as mobilehomes) may provide for lower priced housing by reducing construction and labor costs. An additional factor related to construction costs is the number of units built at the same time. As the number of units developed increases, construction costs over the entire development are generally reduced based on economics of scale. However, there is a limit to the amount of raw land available of large enough size to realize these advantages. Density bonuses may be of use in increasing the potential for economies of scale.

Programs aimed at reducing housing construction costs are included in this Housing Element, including provisions for mobilehomes and pre-fabricated structures, density bonuses, and various programs to subsidize construction costs.

Land: Land costs appear to be the most significant contributor to housing costs in Encinitas. Land costs include the costs of raw land and site improvements. The limited supply of developable vacant land in Encinitas and the market demand for coastal-area housing have accounted for a steady increase in raw land costs. Representative land sales in 1989 indicate costs for non-ocean-view lots ranging from \$16-18 per square foot to \$25-30 per square foot. Due to unique factors of location and the current anomalies of the market, some land

for single-family homes may command a higher per-square-foot price than other land for multifamily

use. This seems to illustrate the depth of demand for high-end, near-beach property.

As Encinitas becomes built out, the supply of developable land will become more scarce and the price may be driven upward further. Marginal lands which are opened up to development will require greater site improvements to render them developable, factoring into the price of land. Density increases are often thought of as a mechanism to lower per-unit land costs; however, such increases can have the effect of raising the market price of land. There are also too many anomalies affecting the market to be able to conclude that lower costs, or certainly costs affordable to target households, would result from higher density designations. In addition, a host of environmental and "carrying-capacity" factors weigh against using density increases as a primary tool to mitigate land costs. These factors, including flood hazards, steeply sloping lands and poor accessibility are documented in the Land Use, Circulation, Resource Management and Public Safety elements of the City's General Plan. These are also documented by SANDAG and other regional studies which, for example, show that the regional and sub-regional circulation systems cannot afford to carry further development allowance increases. Regional air quality is another limiting factor. For these reasons, density bonuses, rather than zoning changes, are the preferred vehicle for reducing land costs in Encinitas based on density alone. Density bonuses have the added advantage of directly being tied to the provision of affordable housing. Land costs can be addressed in additional ways as well. Allowance for accessory apartments, State Coastal Housing requirements, and land subsidiary are among these.

Labor Costs: Labor is the third most expensive component in building a house, constituting an estimated 17 percent of the cost of building a single-family dwelling (CIRB). The cost of union labor in the construction trades has risen steadily since April 1974. The cost of non-union labor, however, has not experienced such significant increases. Because of increased construction activity, the demand for skilled labor has increased so drastically that an increasing number

of non-union employees are being hired in addition to unionized employees, thereby lessening labor costs. Labor costs can further be reduced by "self-help" housing programs which train individuals in construction techniques to allow them to assist in building their own homes.

Financing: While interest rates have fallen more than 10 percent from their near 20 percent high in the early 1980s, they still have a significant impact on housing costs which is felt by renters, purchasers and developers. The combination of 9 to 12 percent interest rates on home mortgages and down payments of 10 to 20 percent excludes many individuals from home ownership. According to information compiled by the San Diego Union newspaper, the median sales price for single-family resale home in Encinitas in July 1989 was \$267,500. A \$240,750 mortgage amortized over 30 years at an interest rate of 10% would result in monthly house payments of \$2,112. This level of payment eliminates Encinitas' very low, low and moderate income households from the for-sale housing market. Condominiums do, however, offer an alternative, more affordable home ownership opportunity for many of the City's households.

Interest rates are determined by national policies and economic conditions, and there is little that local governments can do to affect these rates. Jurisdictions can, however, offer interest rate write-downs and other subsidies to extend home purchase opportunities to lower income households. In addition, government insured loan programs may be available to reduce mortgage down payment requirements.

Based on evidence of construction activity throughout the City, residential financing is generally available in Encinitas and interest rates do not vary significantly from surrounding areas. There is no evidence of any mortgage deficient areas for new construction or rehabilitation loans.

Other Market Constraints: Another market constraint can be simply the availability of housing, as reflected in rental vacancy rates. An especially low rate would reflect a high demand versus a lack of supply, and could warrant program efforts to address the imbalance.

The rental vacancy rate in Encinitas is 3.9% as of 1989 (1990 RHNS, SANDAG). That is close to the average of the region and indicates there is movement within the rental market, that supply is

available to meet new and changing demands. It is likely that the vacancy rate for lower priced units is a lower percentage. Programs in this Element to address lower income housing needs are aimed at increasing the availability of lower cost housing opportunities.

Non-Governmental Constraints - Environmental Constraints

Portions of Encinitas are exposed to a variety of environmental hazards and resources which constrain development. These constraints include flooding, landslides and seismic hazards, and areas with natural and cultural resources. The Land Use Element has defined a Special Studies Overlay designation that recognizes the need for additional development standards in these environmentally constrained areas before future development may proceed.

There is a definite relationship between environmental constraints and possible, safe or desirable development potential. While some degree of additional impact upon and from the environment is inevitable from any new growth, there needs to be balance between housing and development environmental constraints and needs. In Encinitas those areas planned for higher density are less subject to environmental limits and hazards. (See discussion above under Housing Constraints, Potential Constraint, Method of Calculating Density.)

Flooding: The Public Safety Element identifies those areas in the City that are subject to periodic flooding based on Flood Insurance Rate Maps prepared for the area. The maps indicate that there is a potential for flooding from Encinitas Creek, and along a number of smaller streams in the Planning Area. Much of the coastal area is subject to high waves from offshore storms and/or unusually high tides. General Plan policies require specific mitigation measures for development within these flood-prone areas.

Hillside/Slope: The hillside topography in portions of the Planning Area contain slopes that may be too steep to safely accommodate development; these areas of slopes constraint are mapped in Figure 1: Land Use Suitability Map located in the Land Use Element. The potential for slope failure is often complicated by improper hillside grading, over watering of hillside lots, and ground shaking from earthquakes. Allowable development densities in hillside areas will be based on topography, findings of soils and geotechnical studies, and the application of specific hillside development standards.

Seismic Hazard: Like the entire Southern California region, the City of Encinitas is located within an area of high seismic activity. Two known active faults - the San Jacinto and Elsinore fault zones - lie within a fifty mile radius to the City. While no known faults lie within the City's boundaries, a number of smaller fault traces have been identified, and are indicated in the Public Safety Element.

Cultural/Natural Resources: In addition to flooding, seismic hazard, and hillside constraints to development, areas of significant ecological habitat and historic/archaeologic resources are present in the Planning Area. Development standards will necessarily be more stringent in these sensitive areas to minimize potential adverse impacts to the City's natural and cultural resources.

Governmental Constraints

The intent of local government regulation is to protect public health and safety and ensure a decent quality of life for the community. However, such regulations may add to the cost of new housing. State law requires that the Housing Element address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement and development of housing. The following analyzes the potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures.

Land Use Controls: Potential Constraint, Density -The Land Use Element of the General Plan provides for a variety of residential densities dispersed throughout the City. Much of the community can be characterized as residential and rural residential, with some agricultural uses. Much of the remaining vacant land to be developed consists of environmentally constrained land, with topographic, drainage, and other limitations, as identified in the Public Safety and Resource Management elements. As a result of the desire to maintain a largely single family residential community, the desire to preserve agricultural uses and the need to comply with environmental regulations, a majority of the City has been designated single family residential, Rural Residential (RR) to Residential Single Family 11 (RS-11).

**Paragraph
Amended
7/10/91
4/16/92
6/16/93
1/26/94
6/22/94**

Notwithstanding this, the Land Use Element provides for an adequate number, and mix of densities, of new residential units. As noted in more detail in the discussion of the City's residential land use inventory, the total number of new dwellings planned allows the City's "regional share" of new units identified in the 1990 Regional Housing Needs Statement (SANDAG) to be satisfied. In addition, approximately 23% of the City's new residential development potential (approximately 1,368 of 5390 new dwellings) fall within the multi-family residential categories, zones R-11 through R-25. This includes approximately 601 new units on vacant land, and 1,291 new units to result from "recycling" or infill. Together with other measures such as allowance for accessory or "second" units, this land use plan is expected to yield an adequate potential of new dwellings. Rather than density, the "market" constraints of land costs, construction costs, finance costs, etc. appear to be responsible for the lack of affordable housing in the City (see discussion under "Nongovernmental Constraints"). Thus, density allowance under the plan is not concluded to be a significant constraint to housing. Note, however, that density bonus allowances will remain available as a housing program.

Potential Constraint, Growth Management goals and Policies - The Land Use Element contain growth management goals and policies which include an annual proportional allocation of residential building permits based on the total number of dwelling units in the City at build-out. The annual allocation limit is not an arbitrary figure, but is based on the total development potential of the City as planned in the Land Use Element. Each year's

allocation is calculated at the beginning of the year. The total residential potential of the plan is maintained over the plan's 25-year term, and thus is not constrained over the long run. Based on the City's experience with the allocation in 1989, the allocation is expected to result in an average of 200 new units being permitted each year, or about 1000 dwelling units over the next 5 year period of the Housing Element. This is in step with the City's "regional share" of 843 moderate and upper-income units over the next five year term, as established in the 1990 RHNS. Further, Land Use Element Policy 4.4 exempts low and very low income units from the growth management allocation. Thus, the growth management allocation is not a constraint to the number of dwellings within the five year term of this Housing Element.

Dwellings affordable to low and very low income households are the target income-range households under the 1990 RHNS. Thus, affordable dwelling units are not in the position of competing with market rate development for a potentially limited pool of permits to be issued in any given year.

Growth management policies (3.7 and 3.8) require that any amendments to the Land Use Map to increase densities must be approved by an affirmative vote of the majority of those voting at an election. This requirement, imposing both additional time and land holding costs for a density increase, would be a constraint if density increases were necessary for the City to reach its objectives for housing. As noted above, however, the City's development potential as now planned is expected to satisfy the number of dwellings needed and the rate they are needed to satisfy the City's "regional share." Therefore, this requirement is determined not to be a significant constraint.

The administrative and implementation provisions of the Growth Management Policy are being developed as of the date of this Housing Element revision. As part of that process, City staff is analyzing the draft administrative and implementation provisions to ensure that no new constraints to housing are created, or impediments to the housing exemptions are made, whether purposely or accidentally. Specifically, the City will develop rules and/or guidelines to establish the procedures by which housing units committed as affordable housing will be exempt from the annual housing allocation.

Potential Constraint, Method of Calculating Density

- Other policies within the Land Use Element that may be perceived as a potential constraint to affordable housing development include the method of calculating density (Policy 8.3). This policy requires that certain constrained lands be excluded from net lot area. The net lot area is then utilized to calculate the project density. The density for properties containing slopes is calculated based on 0-25% slope - 100% density, 25-40% - 50% density, and 40%+ - no density allowance. Density allowance is further limited to the mid-point of the land use category range, unless findings can be made that the proposed project excels in design excellence and/or provides extraordinary community benefit.

This policy, along with other Plan policies, are designed to address those environmentally sensitive lands remaining for development. It is important to understand that these various environmental limits to density are already anticipated in the projected development potential of the City. The number of dwellings expected to be yielded under the Plan (p. Lu-49) is not a theoretical maximum, but is based on mid-range and the various constraints noted. As discussed above, this projected development potential is not a significant constraint on housing. Further, those areas planned under the higher-density categories (Residential, 8 through 11 and above) are in locations largely unaffected by the topographic and other environmental constraints; see mapping in the Resource Management, Public Safety and Land Use elements. The assumptions made for in-fill development discussed under the land use inventory discussion are also not theoretical maximums, but conservative estimates based on realistic in-fill development potential. With the above, the required method of calculating density is not concluded to be a housing constraint.

Zoning Code - The Zoning Code is the principal tool used by jurisdictions to implement land use policy. The Zoning Code consists of two elements: (1) a map which delineates the boundaries of districts in which like-uses developed at like standards are to be permitted, and (2) text which explains the purpose of the zoning districts, lists permitted uses and standards for development. The Zoning Code must be consistent with the General Plan. As such, the Code includes standards to implement mid-range density, slope density, and the findings for

exceeding mid-range as discussed above. The development standards for residential development do not represent severe limitations to development, however, some of the standards are unique and require some review and discussion to determine whether or not the standards present a constraint to housing.

Potential Constraint, Building Height - Height limits for residential buildings in the City are 22 feet or two stories for buildings on land with slopes of less than 10%. Buildings proposed for lots with slopes in excess of 10% are restricted to a building height of 12 feet above grade as measured from the property line located at the uphill side of the lot. Those residential buildings on lots with a slope less than 10% are limited to 22 feet measured adjacent to the building. In addition, the Zoning Code requires that the building height be measured from the lowest of finished or natural grade. The purpose of the height standard is to help preserve views and to ensure that the mass and bulk of the building is compatible with the neighborhood. The purpose of the method of measuring height is to minimize the amount of grading activity and the building up of pads to help minimize impacts to the topography and adjacent views. Some architectural elements may project up to 4 feet above the height limit. Further projection is permitted up to the maximum permitted within the General Plan (30 ft. or 2 stories), however, the projection must be reviewed and approved by the Community Advisory Board. This results in approximately a 2 month process for review and approval by the Community Advisory Boards. This length of processing is not considered to be excessive or an abnormal constraint to housing.

The building envelope resulting from this height limit, combined with other physical standards such as setbacks, results in sufficient area to realize the density of dwellings as planned for individual lots. That is, the height limit does not prevent planned density from being achieved. Certain lots in the City may be impacted by physical limitations, such as legal lot size below the standard for a zone. For such properties, the opportunity for a variance approval exists to grant relief from height, setback or either standards. Thus, the residential height limit under zoning is not concluded to be a significant housing constraint.

Potential Constraint, Parking Standards - Adequate off-street parking must be available to avoid street overcrowding and assure street functionality. The City's current parking standard for single-family dwellings is two off-street parking spaces per unit. This is a very common standard among localities, and is justified based on statistics and studies from SANDAG indicating continuing increases in the number of automobiles per household, even as household sizes have declined.

The current parking requirement for multiple unit dwellings is 2 parking spaces for the first bedroom of each dwelling unit and one parking space for each bedroom after the first. For a three bedroom apartment four parking stalls would be required. This standard is more restrictive than parking standards imposed by other cities within the San Diego County area. The purpose for this standard is to insure that adequate guest and occupant parking is provided, to ensure that ample parking is provided off of the street maintaining the streets free from parking, and with the understanding that many individuals share apartments causing greater parking demands. Parking availability and streets freed from overloaded on-street demand are also necessary to address Coastal Zone policies to maintain coastal access. Still, this standard as the most stringent in the region may be a constraint on multi-family housing.

With the initial adoption of the Zoning Code on March 29, 1989, the multi-family parking standard was identified as an issue to be addressed and considered in further detail. This consideration is included as a housing program in this Element. This consideration will include assessment of the parking standard as a housing constraints. Note that consideration of the current parking requirement for "second" or accessory dwellings is also included as a program.

Paragraph Deleted
6/16/93

Building Codes and Enforcement: The City of Encinitas' construction codes are based upon the State Uniform Building, Plumbing, Mechanical, Electrical and Housing Codes and are considered to be the minimum necessary to protect the public's health, safety and welfare. The City has similarly adopted the Uniform Fire Code. An additional standard has been adopted and is enforced by the Fire District requiring that all new residential dwellings be constructed with an installed sprinkler system. This is to protect the public's health, safety and welfare and is not considered an unnecessary constraint to housing.

Fees and Improvements: Various fees and assessments are charged by the City to cover the costs of processing permits and providing services and facilities, such as utilities, schools and infrastructure. Almost all of these fees are assessed through a pro rata share system, based on the magnitude of a project's impact or on the extent of the benefit which will be derived.

A survey was conducted by the Construction Industry Federation (CIF) for the San Diego area comparing the 1988 planning and development impact fees of cities in the San Diego area. The following highlights some of the fees charged by other communities in comparison with the City of Encinitas.

1. Parcel Map. Encinitas, \$700. Other communities range from \$100 (Oceanside) up to \$3500 (City of San Diego).
2. Design Review. Encinitas, \$500. Other communities range from \$40 (El Cajon) to \$800 (County of San Diego).
3. Conditional Use Permit. Encinitas, \$1700. Other communities range from \$50 (El Cajon) to \$2800 (City of San Diego).

4. Environmental initial study. Encinitas, \$400. Other communities range from \$50 (El Cajon) to \$1300 (City of San Diego).
5. Tentative map. Encinitas. \$2000. Other communities range from \$300 (El Cajon) to \$3315 (Lemon Grove).

The planning processing fees charged by the City of Encinitas are utilized to cover the cost of processing the project. The City has a cost recovery program requiring deposits for projects. After the project has completed its process, any remaining balance is refunded to the applicant. As a result, the applicant pays only for the actual cost of the City processing his/her application. Based on the survey conducted by CIF and the City's requirement to cover actual costs, the fees are not considered to be an excessive constraint to housing. Note, however, that certain fees could be waived, reduced or underwritten for the provision of affordable housing under some of the housing programs outlined in this element.

Development impact fees were also summarized in the 1988 Regional Development Fee Survey conducted by CIF. Some of the impact fees are highlighted below:

1. Traffic mitigation fees. Encinitas requires \$900 per unit. Other communities range from \$530 (Carlsbad) to \$2,101 (Chula Vista).
2. Parklands. Encinitas requires \$2,321 max. per dwelling. Other communities range from \$145 (Lemon Grove) to \$1910 (Poway).

Fees have been set at a level necessary to cover the costs to the City and to make appropriate contributions to the community, in order to assure that basic support facilities and services are provided to residential development. These fees can contribute, nonetheless, to the cost of housing, and may constrain the development of lower priced units. Certain fees could be waived or reduced for the provision of low and moderate income housing. The housing programs outlined in this element provide for fees being reduced, development requirements waived and/or the processing expedited for affordable housing projects.

Potential Constraint, Improvements: While a significant proportion of the City's analyzed residential development potential is "in-fill" activity in existing neighborhoods, where much of the infrastructure is already present, a majority of development is on vacant lands where most of the infrastructure will have to be newly provided. Streets, curb, gutter, sidewalk, utility lines, storm drains, and similar facilities are normally provided by developers as housing is built. Thus, these are costs potentially adding to the asked sale or rental price of housing. Residential development cannot function without the support of these facilities, however. Some of this infrastructure is under the City's regulation (street, drainage, and sidewalk improvements; storm drainage; sewer lines) while other is regulated by independent utility districts (water, gas and electric lines).

Unlike most cities, Encinitas does not impose standardized infrastructure requirements. Adopted policies in other elements of this Plan call for street and sidewalk improvement standards adequate to serve and protect public safety, but tailored to specific community and neighborhood design needs. This is expected to result in requirements less stringent and less costly than the normal type of city-wide engineering requirements imposed by most municipalities, therefore, reduced cost impacts on housing should result. The City's Public Works Department is crafting "tailored" improvement standards and bringing these forward for consideration in 1990, and they are expected to be in place by 1991. The improvements and exactions required for residential development are limited to those improvements needed to allow the development based on the impact that is associated with the anticipated development. Improvements may include streets, drainage, utilities and the like. Exactions may include dedication of right-of-way to allow for any adequate road to facilitate the project. Although such improvements and exactions can contribute to the cost of housing, they are not considered excessive in relationship to other communities within the Southern California area. In addition, they provide infrastructure vital to the safe operation of the City and support of new residential development. It is not recommended that dedications or exactions be reduced or eliminated. However, some of the housing programs outlined in this element provide for such infrastructure costs to be subsidized or underwritten for affordable opportunities.

Local Processing and Permit Procedures: The evaluation and review process required by City procedures can contribute incrementally to the cost of housing in that holding costs incurred by developers during the process can be ultimately manifested in the unit selling price. The potential for costs due to this factor is not comparable to the market constraints discussed above. The review process in Encinitas is governed by three different levels of decision-making bodies: City Council, Planning Commission, and Community Advisory Board (CAB). Five CAB's have been established - representing the five different communities in the City - and serve as the first tier of development review. Average processing time for a residential project subject only to CAB review is between two to three months, with an added two months for projects also subject to Planning Commission approval. Due to the fluctuating workload and heavy project activity within some of the CAB areas, a two to three month waiting period may occur before a CAB hearing can be held on an application. This review period is comparable to other Southern California cities and does not appear to be a significant constraint to housing (Note that affordable units for target low and very low income households are exempt from the growth management allocation process, as discussed above). Many discretionary project reviews in Encinitas, such as tentative parcel maps and design review for some single family units and small multi-family projects (duplex to fourplex), which are in many jurisdictions processed administratively by staff, are required to undergo review by the CAB in the City of Encinitas.

Housing Needs
Summary

Housing goals and policies and housing needs are presented in detail in previous sections of this Element. Identified housing needs are outlined again immediately below, and are designated by letter for purposes of reference in the Housing Programs Table (Table 9).

- A. Satisfy housing needs generated from new population growth. (Ref. 1990 RHNS). [I-a]
- B. Address substandard units. (Localized, isolated pockets in Leucadia, Old Encinitas. Conditions for large majority of these warrant rehabilitation as opposed to demolition). [II-c; III-c, d; IV-a, b, c, d, e; V-a, c, e, f]

- C. Satisfy housing needs based on affordability. (Upper-income households have their needs met by the private housing market. Moderate-income households will need some assistance of governmental programs. The significant unmet need is for lower and very low-income households. Target "fair share" numbers from draft RHNS focus on lower and very low). [I-a, b, c, d, e, h; II-d; III-a, b; IV-b; V-b through g; VI-a, c through l; VII-c, f.
- D. Address elderly special needs. (Needs stem from lower fixed incomes, physical disabilities and limits. While elderly households comprise approximately 6% of all City households, that proportion which has unmet needs due to income restrictions is relatively low). [I-b, f, g; IV-c]
- E. Address handicapped special needs. (Units must be accessible, functional to the handicapped. Handicapped comprise approximately 4% of all City households, but proportion with unmet needs due to significant income restrictions is lower.) [I-f, g; IV-c; VIII-c]
- F. Address large families special needs. (Need stems from limited income of some large families combined with a lack of affordable larger dwelling units. Overcrowded households comprise approximately 1.4% of all City households. Analysis indicates a clustering of overcrowded household in the east Leucadia community.) [II-b]
- G. Address agricultural workers special needs. (Need stems from low wages, temporary nature of employment, and the often migratory pattern of available employment. [I-c; VI-j; VII-a, b, d]
- H. Address special needs of female-headed/single-parent households. (Needs stem from low wages, need for child care.) [VI-b; VII-b, d, e]
- I. Address special needs of the homeless. (Special needs are for emergency and transitional temporary shelter, and other social support services such as transportation, employment, food aid, child care services, mental and medical care. In Encinitas, the homeless are characterized by both immigrant families and individuals, and by American-born

individuals and families of white and other races/ethnicities. The numbers of client contacts for service to address homelessness in 1989 was approximately 500. [II-d; VI-k; VII-a, b, d, e]

- J. Address housing needs based on race/ethnicity. (Affirmative-action programs warranted to avoid intended or unintended discrimination, based on race or ethnicity.) [VI-c; VII-d]
- K. Address housing needs stemming from significant non-governmental constraints.
 - 1. Land price (High land prices are standard in the coastal market. This limits the affordability of new construction and existing units upon sale as well.) Implemented by [I-b, c, h; V-b, d; VI-c, d, e, f]
 - 2. Construction costs (Construction costs have stabilized out over the last several years, but still comprise a significant proportion of housing costs.) Implemented by I-c, d, e; II-a, c; III-c, d; IV-a, c, d, e; V-c, e, f, g; VI-g, j, k, l]
 - 3. Financing costs (Mortgage and construction loan rates and costs continue to be high. These limit the ability of households and builders to obtain purchase/construction financing and the ability of households to afford rehabilitation financing. [IV-a through f; V-e, f; VI-a, h, i, j, k]
- L. Address housing needs stemming from significant governmental constraints. (Discussion of areas of potential constraint discloses few actual significant constraints. E.g., the City's land use plan and zoning accommodate the draft RHNS "regional share" of new development; the growth management plan is consistent with identified rates of new growth requirement; low and very-low income housing is exempt from the housing allocation in the growth management policies. City fees are moderate and time for project processing is average in this region. All City development standards are consistent and compatible with planned zone density levels, except the multifamily residential and accessory unit parking ratios, which are

identified for re-examination.) [II-a, b, d; VI-g]

Housing
Opportunities

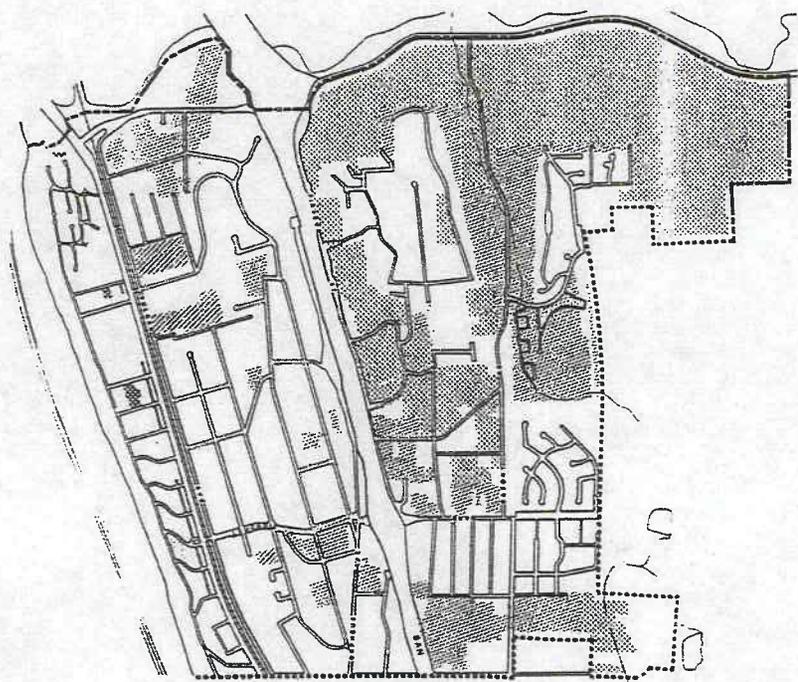
This section evaluates the potential development of additional dwelling units which could occur under the Encinitas General Plan on vacant and underutilized land within the 1989 incorporated area of the City. The City does not anticipate any significant annexation or development on lands currently outside City limits within the five year time-frame of this Housing Element. As planned under the Land Use Plan, public services and facilities adequate to serve this additional development potential are either already available, or scheduled/required to be provided as development occurs, provided in part by development impact fees adopted by the City. The City has determined that there will be no shortfall or constraint foreseen in the provision of public services and facilities if development proceeds in accordance with the Land Use Element of the adopted General Plan.

Vacant Sites

**Paragraph
Amended
6/16/93**

Table 6 provides a breakdown of the number and type of additional dwelling units which could be constructed on vacant lands in the 1989 incorporated area of the City under the General Plan. With approximately 2,360 vacant acres planned for residential development, significant additional growth will still occur in the City. However, due to the presence of substantial environmental constraints (including flooding problems, excessive slopes, soil limitations, and sensitive ecological resources) and other planning and infrastructure limitations (including limited circulation capacity and remoteness) much of this land has been planned for lower density development. The Land Use Element has applied a Special Studies Overlay to constrained lands where additional development standards are required to minimize hazards to a future development, and to preserve significant resources. The Resource Management and Public Safety elements further detail environmental constraints.

Figures 1 through 5 depict the location of vacant residential acreage in the City by community area. As these maps illustrate, the majority of the City's vacant land is located in the inland, non-coastal portions of Encinitas.



 City Boundary
 Community Boundary

0 2000 NORTH
 scale in feet

VACANT RESIDENTIAL LAND

-  Residential 0.00 - 2.00 du/ac
-  Residential 2.01 - 5.00 du/ac
-  Residential 5.01 - 8.00 du/ac
-  Residential 8.01 - 11.00 du/ac
-  Residential 11.01 - 15.00 du/ac
-  Residential 15.01 - 25.00 du/ac

UNDERDEVELOPED RESIDENTIAL LAND

-  Residential 8.01 - 11.00 du/ac
-  Residential 11.01 - 15.00 du/ac
-  Residential 15.01 - 25.00 du/ac

Figure 1
 Potential Residential
 Development
 Leucadia


 General Plan

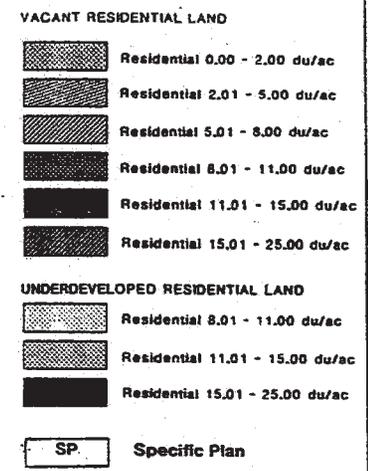
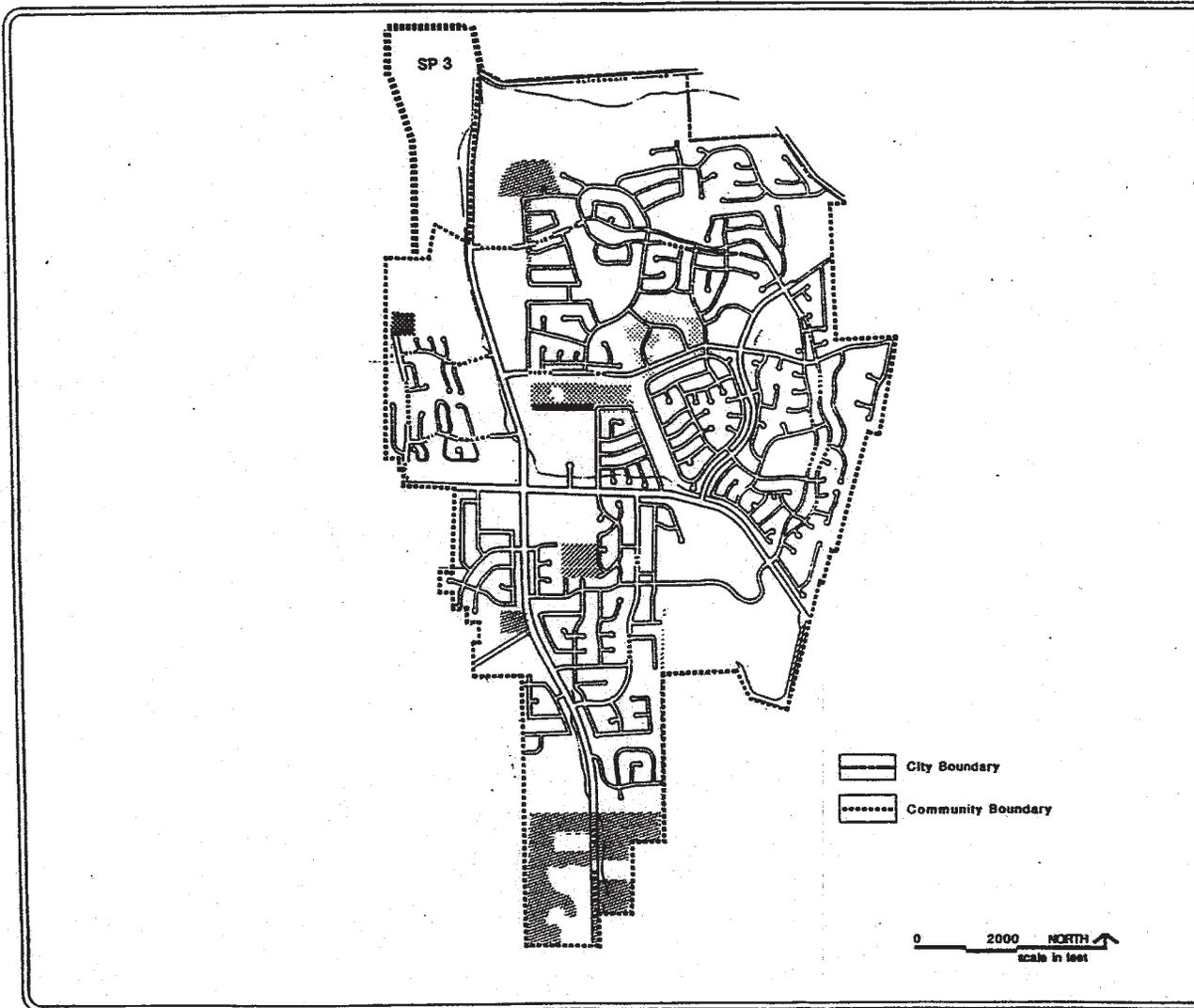
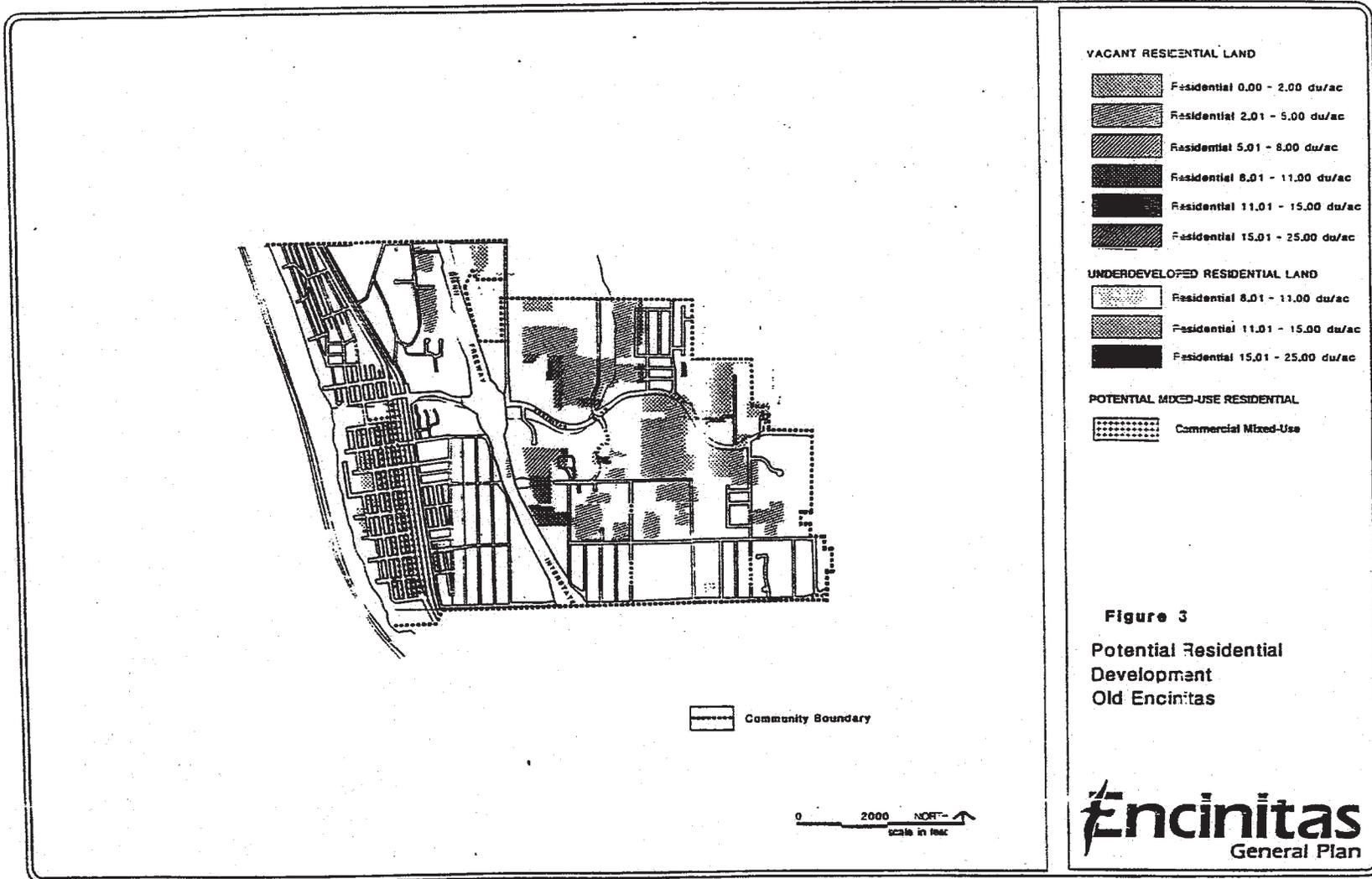


Figure 2
Potential Residential Development
New Encinitas

Encinitas
 General Plan

H - 56



Amended 1/26/34

H - 57

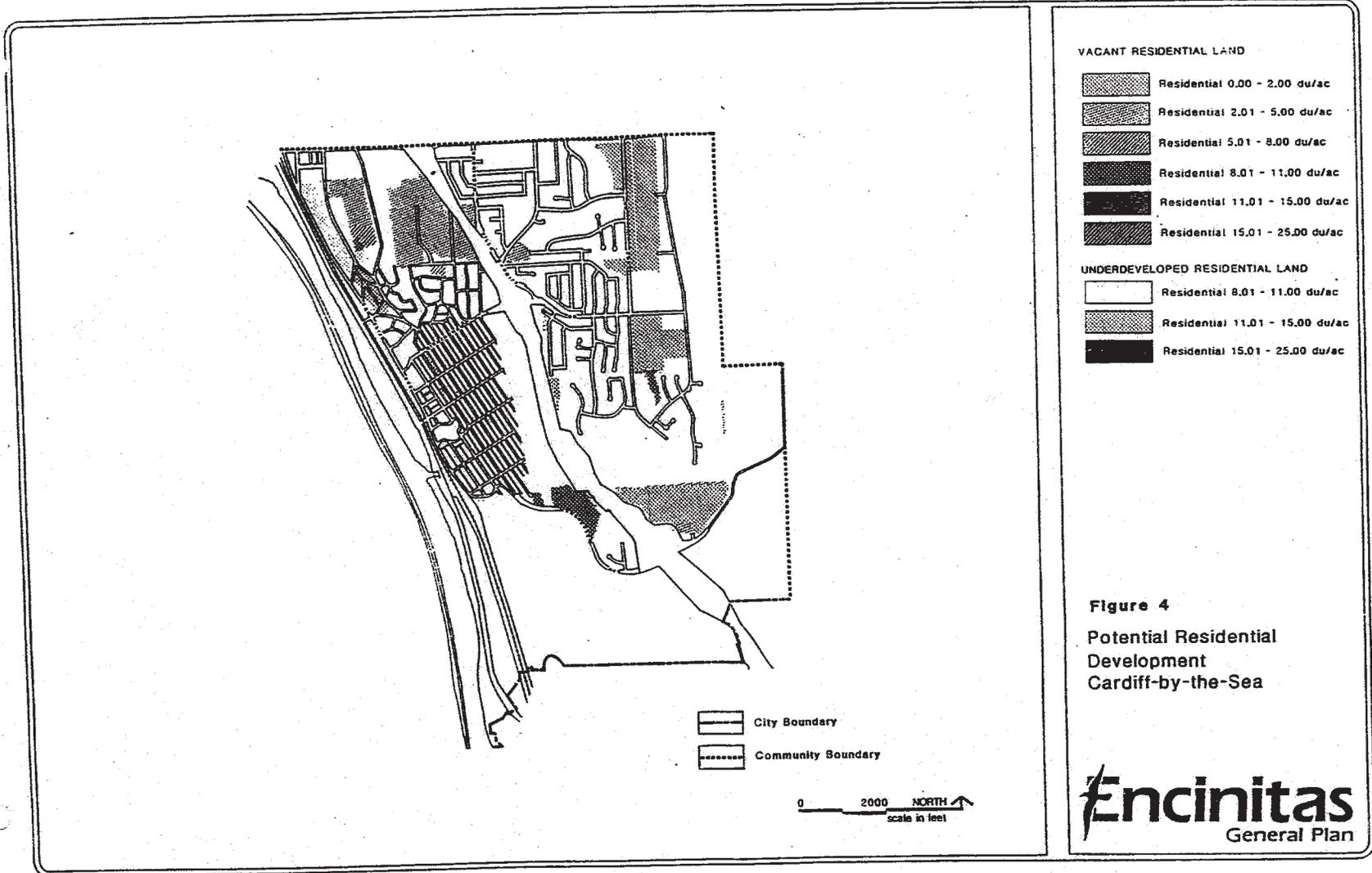


Figure 4
Potential Residential
Development
Cardiff-by-the-Sea

Encinitas
General Plan

H - 58

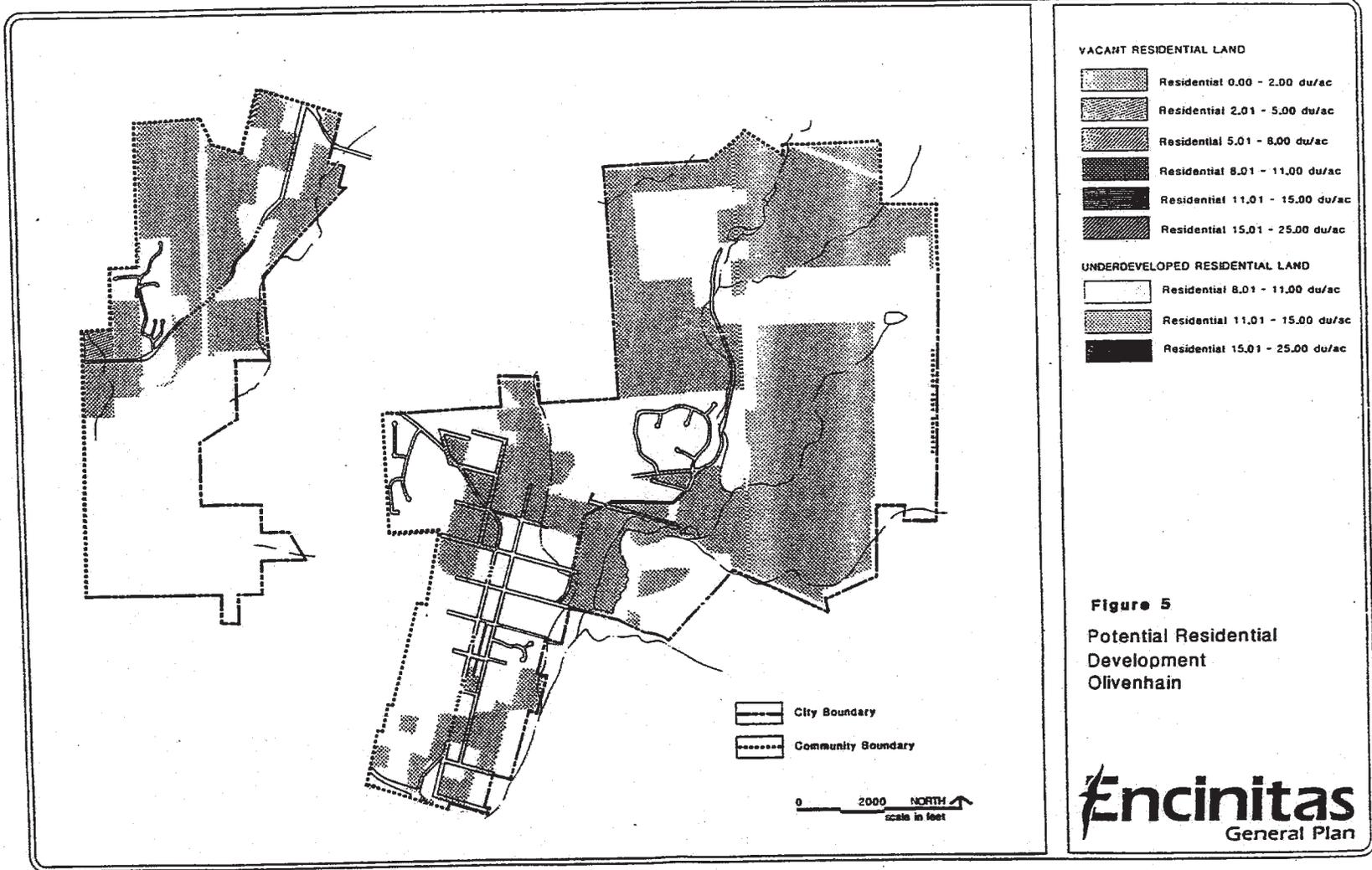


Figure 5
Potential Residential
Development
Olivenhain

Encinitas
General Plan

H - 59

TABLE 6
VACANT RESIDENTIAL LAND INVENTORY

<u>General Plan Designation</u>	<u>Net Acreage</u>	<u>Mid-Range Dwelling Units</u>	<u>% of Total Dwelling Units</u>	<u>Projected Population(a)</u>
Rural	841	272	6.7%	685
Rural Res. 1	534	400	9.9%	1,008
Rural Res. 2	355	532	13.2%	1,341
Residential 3	465	1,663	41.0%	2,930
Residential 5	60	242	6.0%	610
Residential 8	52	335	8.3%	844
Residential 11	40	382	9.4%	962
Residential 15	3	35	.9%	98
Residential 25	9	184	4.6%	463
Total	2,360	4,045	100%	8,941

Source: Cotton/Beland/Associates, 1989.

(a) Based on 2010 estimate of 2.52 persons per unit (final series 7 Regional Growth Forecasts, SANDAG).

NOTE: This table has been revised in 1989 to reflect a more detailed analysis of the City's vacant land inventory. This table deals only with vacant land development potential within current (1989) incorporated boundaries. Additional development potential (approximately 1000 dwellings) is expected through build-out from areas within the City's designated sphere of influence, but this is not expected within the 5-year term of this Element (through 1995).

Amended 6/16/93

**Paragraph
Amended
6/16/93**

The City's vacant residential acreage will support 4,045 dwelling units, ranging from one unit on a two-acre estate to 25 dwelling units per acre. Single-family housing will comprise the majority of these units, reflective of environmental constraints as well as poor accessibility to many of the City's vacant acreage. Approximately 17 percent of these potential dwelling units are in the Residential 11, 15, and 25 land use categories, generally corresponding to multi-family development types.

Underdeveloped Sites

In addition to development on vacant lands, there is the potential for new residential development on sites which are currently developed at densities significantly lower than those permitted under the General Plan and zoning.

In the City's coastal areas, many of the areas designated for densities of 11, 15 and 25 units per acre are currently developed with single-family and lower density multi-family uses. Recycling of these lower density uses occurs when the intensity of use allowed more than offsets the costs of acquiring the improved site, demolishing the existing units, and constructing new higher density units. For the past several years, lower density residential uses in the coastal areas of Leucadia and Old Encinitas, and in the "twin homes" neighborhood in Cardiff have begun to recycle to higher densities, indicating that permitted densities are high enough to warrant intensification.

**Paragraph
Added
1/26/94**

Additionally, several of the City's specific plans allow "mixed-use" development (i.e. residential with the predominant commercial or office use) in commercial and office professional zones. Currently, most of these properties only have established commercial or office uses. It is expected that over time many of these sites will be redeveloped or recycled, potentially increasing the City's housing stock.

**Paragraph
Amended
7/10/91
1/26/94**

Figures 1 through 5 identify areas in the City planned for multi-family and mixed-use development which are currently developed at less than half the permitted residential density. As these figures illustrate, the majority of underdeveloped residential and mixed-use parcels are located in the coastal areas of Encinitas, consistent with where recycling activity has been occurring in the City.

Paragraph
Amended
6/22/94

Tables 7A and 7B calculate the net increase in dwelling units which could occur through the recycling of these sites. An estimated 1,291 additional dwelling units could be developed, predominately in the Residential 11, Residential 15, General Commercial, Office Professional and Visitor-serving Commercial land use categories.

H-61b

In order to estimate the net increase in residential development attributed to recycling which could be expected over the five year period of the Housing Element, the rate of recycling activity experienced in the City since incorporation (July 1987-November 1989) can be projected forward to the next five years. According to the City's building permit records, a net increase in 96 dwelling units have been developed through recycling over 29 months, translating to an estimated 198 multi-family dwelling units which could reasonably be expected to develop over the coming five years. Assuming these 198 dwelling units are distributed according to the total recycling potential in each of the City's three multi-family categories, the following distribution could be expected (net increase, 1990-1995):

	<u>Dwelling Units</u>
Residential 8.01 - 11.0	107
Residential 11.01 - 15.0	73
Residential 15.01 - 25	<u>18</u>
	198

Through this recycling, adequate sites are provided to enable the City to meet its needs for multi-family housing development. In terms of housing affordability, these 198 units of multi-family housing are a significant contribution to stock of housing which, combined with City incentives, inclusionary provisions, and State Coastal requirements, can be priced within lower income groups' range of affordability.

**Paragraph
Added
1/26/94**

In addition, an estimate is made for potential residential yield from recycling under the City's mixed-use zones. An estimated 46 units could be developed through the remainder of this Element's five year cycle.

**Paragraph
Amended
7/10/91
4/16/92
6/16/93
1/26/94
6/22/94**

Note that over the build-out period of the Land Use Element, the 1,291 dwellings resulting from infill on multi-family zoned land, plus 601 units from development on vacant multi-family lands, will yield a total of 1,892 units. This is approximately 39% of the projected total build-out of 4,866 dwellings in existing city limits, and 32% of the projected 5,919 units including the City's sphere areas. These compare to approximately 27% of the City's 1987 housing stock being multi-family units (see Housing Element Technical Report).

TABLE 7A

POTENTIAL NET INCREASE IN DWELLING UNITS
ON UNDERDEVELOPED RESIDENTIAL PARCELS

Existing Density	Permitted Density			Total
	Res 8-11	Res 11-15	Res 15-25	
Residential 0.25-0.50	2	-	-	2
Residential 0.51-1.00	6	-	46	52
Residential 1.01-2.00	32	40	17	89
Residential 2.01-3.00	101	8		109
Residential 3.01-5.00	326	32		358
Residential 5.01-8.00		195	8	203
Residential 8.01-11.00			14	14
	467	275	85	827

Source: Cotton/Beland/Associates, 1989.

Table Amended 7/10/91, 1/26/94

TABLE 7B

POTENTIAL NET INCREASE IN DWELLING
UNITS ON MIXED-USE PARCELS

Existing Land Use Designation	Projected Yield
General Commercial	424
Office Professional	5
Visitor-serving Commercial	35
TOTAL	464

Source: City of Encinitas, 1994.

Table Created 1/26/94

Accessory Apartments

Intensification of development in existing residential areas could also occur through the addition of second units on single family lots. Second units, or accessory apartments as they are commonly known, are dwelling units constructed on the same parcel on which the primary single-family unit is located, providing independent living quarters which the homeowner may rent out or provide for a family member or other person(s). Second units provide a cost effective means of serving additional development through use of existing infrastructure, and can provide affordable housing for low and moderate income small households. Second units also have the additional benefit of allowing many older persons to remain in their homes by providing additional income and security.

The City of Encinitas has adopted an ordinance to facilitate and regulate the development of accessory apartments as a means of providing affordable rental housing for seniors, the handicapped and family members; occupancy limited to these households. The City's ordinance permits the development of accessory apartments up to 640 square feet in size subject to a minor use permit. The Housing Element sets forth a program to review the existing parking requirements for accessory apartments to ensure that minimum offstreet parking need is met but does not become excessive. Note that second units may be created accessory to any single-family dwelling, irrespective of site zoning.

The City's records indicate approximately 20 second units have been constructed in Encinitas in the last five years. Using this date to estimate the level of future second unit construction suggests that approximately 20 new units could be expected over the five year period of the Housing Element.

Farm Employee Housing

In addition to accessory apartments, housing for agricultural workers is also accommodated in the City. The City's farm employee housing ordinance allows for such housing as a permitted accessory use in conjunction with an agricultural or horticultural operation. Such housing generally takes the form of mobile homes located on the farm property.

Farm employee housing provides an affordable housing option for the City's agricultural workers and their families. According to the City's records, approximately 35 agricultural worker accessory housing units have been added to the City's housing stock over the past five years. Apply this same rate of growth to the five year period of the Housing Element suggests that an additional 35 agricultural worker units could be anticipated over the next five years.

In response to the significant need for agricultural worker housing in Encinitas, the Housing Element sets forth a program for assisting in the creation of additional agricultural worker units. An additional 35 units are projected to be developed under this program, resulting in a total of 70 units of farm employee housing being created over the next five years.

Residential Development Potential Compared with Regional Share Needs

As indicated in the Housing Element's Summary of Housing Needs, the Regional Housing Needs Statement (RHNS) prepared by SANDAG has identified a future housing need for Encinitas of 1,406 units, (563 for lower income households and 843 for moderate and upper income households) to be developed over the next five years. Combining the expected residential development on vacant and underutilized lands, and that expected in the form of accessory apartments and agricultural worker housing, an estimated 1,090 units will be developed in the City over the next five years (refer to Table 8). In addition to these units, the City will provide incentives for the creation of approximately 320 newly-developed affordable dwellings, plus the creation of additional affordable opportunities affordable to lower income households, through implementation of Housing Element programs (e.g. inclusionary requirements, density bonus, congregate care incentives, etc.). Review of Tables 6 and 7 indicate the City has adequate land zoned at appropriate densities to accommodate its share of lower income housing needs. Housing units affordable to very low and low income households, and in addition agricultural worker housing and accessory units, are exempt from the City's growth management annual building permit allocation system.

Table 8 presents a summary of numbers of new dwelling units expected (net increase) from development activity within the next five year period.

Environmental Amenities

The City of Encinitas offers a wide range of amenities that attracted many of its existing residents and will continue to attract substantial numbers of new residents in the coming years. The most significant natural attractions in Encinitas are its beaches, and the open space they offer. Associated with the community's coastal setting is a warm Mediterranean climate and clean air. A rolling hillside topography and bluffs both inland and along the coast offer spectacular panoramic views and further serve to attract growth to the City.

Local Employment Market

The San Diego region serves as a major center of employment in the west coast. SANDAG's Series 7 Regional Growth Forecast projects significant growth in the region's employment base, an estimated 556,000 new jobs being added by the year 2010, representing an increase of 61%. Within the Encinitas Planning Area, nearly 16,000 new jobs are projected through 2010, reflecting a 54% increase. Such expanded opportunities for employment will continue to attract new residents to Encinitas.

Community Resources

A discussion of housing opportunities and resources would be incomplete without recognition of existing community resources which provide housing services. Private, citizen-based efforts can be an important component in the myriad of things done to try and satisfy housing needs.

TABLE 8
POTENTIAL FIVE YEAR RESIDENTIAL DEVELOPMENT SUMMARY

Land Use Category (Expected 5-Yr. Growth)	Vacant Land	Underutilized Land	Accessory Apartments	Farm Employee Housing
Rural	67			
Rural Res. 1	90			
Rural Res. 2	119		20	70
Residential 3	261		units in	units
Residential 5	55		single	
Residential 8	75		family	
Residential 11	86	107	zones	
Residential 15	8	73		
Residential 25	41	18		
Total	802	198	20	70

Source: Cotton/Beland/Associates, 1988.

Expected five-year growth on vacant lands, based on City's growth management system and historic development activity. Expected five-year growth on underutilized land, based on City historic activity and analysis of reasonable in-fill potential. In addition to these, the housing programs in this Element work towards achieving housing opportunities affordable to low and very low income households which will also be added to the City's housing stock. The City's growth management system exempts units affordable to low and very low income households from the annual housing allocation. The total production of housing opportunities over 5 years is expected to be 1410.

Two existing private, non-profit agencies already supply social services in Encinitas related to housing needs. The Community Resource Center, based in Encinitas, provides temporary shelter placement and vouchers for homeless households (see discussion above under housing needs, special needs households, homeless). The CRC also provides other social services which can help homeless or needy households solve their underlying problems which create a housing need (i.e., clothing and food assistance). Lifeline, based in Vista, provides a placement service for seniors' shared housing. Lifeline operates throughout the North County, including within Encinitas. The validity of both of these community-based agencies are recognized in the housing programs set forth in this Element.

There may be many other ways that community resources can be applied to resolve direct and indirect housing needs. The City will remain open to such non-profit and grass-roots resources, and support their application.

Housing Programs

This section outlines the City's housing programs over the next 5 year period. Programs are linked with goals and policies and identified housing needs which they address. For appropriate programs, quantified objectives over the next five year term (into 1995) are stated. Programs are also linked with potential funding sources, and those agencies or City officials responsible for implementation.

Housing Objectives

The objectives for the City's housing programs are both qualitative and quantitative. Quantitative objectives, where applicable, are identified for each program both under "Housing Program Description" and in comprehensive Housing Programs Table. Quantitative objectives are related to the overall quantitative targets identified for the City and the region in the 1990 Regional Housing Needs Statement (RHNS) produced by the San Diego regional council of governments, SANDAG.

The 1990 RHNS identifies a "regional share" for Encinitas, which constitutes a new housing production need over the next 5 years. (The regional share projections by SANDAG satisfy the requirements of Calif. Gov. Code Secs. 65583 and

65584 for identification of the City's share of the regional housing need.) Encinitas' regional share is a total of 1406 dwelling units. The regional share is further broken down in the RHNS into five year targets for different income categories, as follows: very low income, 323 dwellings; low income, 239 dwellings; moderate income, 295 dwellings; and upper income 549 dwellings. The income categories here are as defined by HUD. The City will maintain an annually adjusted table showing the breakdown of income limits by category. Market-rate development is expected to satisfy the City's regional share needs for the higher income categories. (Note, however, that several housing programs outlined below are available to augment needed moderate-income housing production.) The City's growth management system will not constrain moderate and upper income housing below needs, and housing for the target low and very low income categories is not subject to the growth management limit. While the City and its planning places no constraint to meeting housing production needs, nonetheless as noted above under Housing Constraints, the private market is not expected to substantially satisfy the need for lower and very low income housing.

This, in fact, is a major overall thrust of the 1990 RHNS. Unmet housing needs, both existing and newly generated over the next 5 years, are expected to be concentrated in the low and very low income categories. For this reason, the RHNS emphasizes housing assistance applied at these income levels. The RHNS identifies five year housing "targets" for assisted housing for all San Diego jurisdictions. The target identified for Encinitas is 538. This means that SANDAG has determined that the various housing programs applied by the City should strive to provide this number of assisted housing opportunities over the next 5 years, through 1994. Assisted housing opportunities include all means of housing assistance, not just new construction but programs creating opportunities in the existing housing stock and programs directly assisting households as well.

Housing Program Funding Sources

State housing law recognizes the various realistic limitations which keep housing needs from being met. These include the limitations of private market-driven housing development, environmental

limitations on land use, and a lack of adequate federal and state funding for housing assistance programs.

Housing program funding is a key factor for many of the programs outlined below. The City must be realistic in setting numerical objectives for programs which require funding. Unfortunately, those funding sources which appear to have the most potential for City programs are not under the City's control, are intermittent, and may be distributed based on competition between localities. The housing fund set-aside from a potential City redevelopment project, if the project is successfully established in 1990, is not projected to be a significant amount until 1995 or 1996, at or beyond the end of this five year housing plan. Thus, the program objectives set below are subject to available funding, and are set at a realistic level based on expectations of non-guaranteed funding.

**Paragraph
Added
6/17/92**

State housing law requires specific discussion of program funding to address "units at risk." As noted, redevelopment tax-increment financing is not available, since the City has no redevelopment plan. The County Housing Authority operates within the City of Encinitas; however, the Authority reports that no funding from administrative fees are available to finance the continued affordability of "units at risk."

CDBG funding is available to consider for "units at + risk", as follows: (a) An allocation has been made in the City's 17th year funding specifically for an initial assessment for acquisition of the federal section 236 project, Su Casa Por Cortez, by a preferred non-profit purchaser who would continue the affordability of Su Casa's 30 guaranteed-affordable units. All other 17th year CDBG funds are already obligated for other purposes. (b) In conjunction with becoming an entitlement City, the City is scheduled to receive \$323,000 from County HCD in unexpended past-year CDBG funds earmarked for Encinitas. This money is not obligated to specific projects at this point, and is available to apply, all or in part, to preserve "units at risk." This money is expected to be available for use by October 1992. (c) 18th year CDBG funds, approximately \$339,000, is expected to be available by October

1992, and has not yet been obligated to specific projects.

It should be noted that, while the above-cited 18th year and prior-year rollover CDBG money is not obligated to projects at this point, there will be competition for these funds for other housing programs.

**Paragraph
Amended
6/17/92**

Following is a brief discussion of special program funding sources. These are designated by letters (A, B, etc.) for identification in the Housing Programs Table. This is not intended as an exclusive listing of funding; other sources, as they may become available, will be pursued by the City to apply to appropriate programs. Other funding sources may be available which are particularly applicable to "units at risk." These include J and K, below.

A. City General Fund - Can be applied at City's discretion to any program. Amount of funds available which are not already obligated to other City services and operations will be limited.

**Paragraph
Amended
6/17/92**

B. Redevelopment Agency Funding - Largely the 20% housing set-aside, but can also include other redevelopment project proceeds, e.g. for administrative housing program costs. Can be applied to a wide variety of housing programs at City's discretion. If a redevelopment project is adopted in 1990, housing funds would begin to be available in 1991. Housing funds available over the 40-year lifetime of the project are significant, estimated \$39 million. However, the accumulated total of redevelopment housing funds estimated to be available through 1994 is approximately \$200,000. (Added Note: In 1991 the City determined to not adopt the redevelopment program which had been contemplated up to that time. Thus, this potential funding source for housing programs is not expected to be available, within and beyond the 5-year term of this Element.)

**Paragraph
Amended
6/17/92**

C. City CDBG Funds - Annual allocation expected to be approximately \$200,000, depending on continuation of this federal program. Funds cannot be spent directly by the City on new housing construction, and proportion which may be spent for administrative purposes is limited. While CDBG funds may, and traditionally have, been spent on eligible capital improvement projects that indirectly assist lower income housing, Council policy can specify that CDBG funds are to be earmarked for direct housing programs. (Added Note: In 1991 the City became, and operated for the first time, as an "entitlement" City under the Federal CDBG program. The annual allocation as an entitlement City is expected to be approximately \$424,000; after deductions for administrative expenses approx. \$339,00 should be available annually. A one-time transfer of unexpended past CDBG funds from the County of \$323,000 is also available in 1992.)

**Paragraph
Amended
6/17/92**

- D. Urban County CDBG Operational Funds - As long as the City is a "non-entitlement City" under CDBG, the City's participation under the County's "Urban County" CDBG program should continue. This affiliation provides a percentage of funding for County HCD's operation of a variety of programs available to apply within the City. (Added Note: With the City's status of an entitlement City in 1991, urban County CDBG operational programs and funds no longer apply.)
- E. County Housing Authority Operational Funds - The County Housing Authority applies for and receives funding for the variety of programs it operates. These are exclusive to these Housing Authority programs.
- F. City Housing In-Lieu Fees - Fees may be paid to the City in lieu of the direct provision of affordable units, under the City's inclusionary housing ordinance, and under State Coastal Zone housing requirements. These fees would go into an exclusive fund to be spent directly on creating new affordable housing opportunities. Such in-lieu fees usually are required to be

spent within a limited time frame, e.g., three years.

G. Special Federal/State Project Funding - The Federal and State governments provide funds for a variety of specified programs. Some are on a continuing basis, e.g., federal funds for Section 8 certificates or housing vouchers, provided by HUD to local housing authorities. Some are limited, one-time grants for specific purposes. Examples of the latter are State Propositions 77 and 84, which through sale of State bonds will generate one-time funds which can be applied to owner-occupied or rental rehabilitation (Proposition 77), or for new construction, emergency shelters, or limited rehabilitation (Proposition 84).

H. Lending Institution Housing Funds - Private lending institutions in California have created various funds ear-marked for affordable housing. These include SAMCO, (Savings Association Mortgage Co.), a savings and loan institutional fund; CCRC (California Community Reinvestment Corp.) a bank fund; and a fund created through FIRREA, the federal savings and loan "bail-out" program. The money available through these funds is required to be spent in a way to lower the finance costs of housing production or rehabilitation) and therefore increase affordability. It cannot be spent for administration or for support services related to housing. Money will also be allocated only on a project-by-project basis, and therefore cannot be guaranteed for programs.

**Paragraph
Amended
6/17/92**

I. Urban County Housing Development Fund. This is a multi-purpose fund set up by HCD from its funding sources including CDBG. Monies in this fund are used for a variety of projects, relating to the development of new housing units, or substantial rehabilitation or conversion of existing structures to create new affordable housing units. Funds are used as grants, loans directly from HCD, or subsidies to private lending institutions to reduce the rate of conventional loans. Under the federal rules for CDBG, money cannot be spent directly as construction costs for new construction. But the money is used in ways to reduce the development costs of new construction, so that

resulting dwellings can be guaranteed affordable to target households. (E.g., land costs are reduced through outright land purchase or subsidy; financing costs are reduced; infrastructure costs are reduced by paying for utility and street improvements; etc.). As a CDBG program, target households are lower and very low income. (As with the above HCD programs funded through CDBG, this program's availability to apply in Encinitas will end if the City becomes an entitlement city. However, the City can establish its own housing development fund, funded by whatever sources the City finds available. The City can administer this fund program itself, or contract with HCD to administer it. In any case, even as a non-entitlement city, the City may decide to devote City funding to this program in order to increase its application within City limits.) (Added Note: With the City's status as an entitlement City in 1991, the Urban County CDBG Housing Development Fund no longer is applicable in the City. The City may still fund its own, similar program.)

**Paragraph
Added
6/17/92**

J. LIHPRHA. The 1990 federal Low Income Housing Preservation and Residential Homeownership Act established stringent restrictions on the prepayment or expiration of government subsidized "units at risk," and also authorizes attractive federal incentives through HUD for project owners to either renew the affordability of the units, or to sell to only "priority purchasers" financed by HUD who would renew the units' affordability. Federal funding for this program has been assured.

**Paragraph
Added
6/17/92**

K. HOME Funds. The 1990 Federal National Affordable Housing Act created the HOME funds program, which is similar to federal CDBG. Defined "entitlement" cities are eligible to directly receive money allocated annually through HUD, which funds may be spent on a variety of specified programs, for direct housing purposes, only. Non-entitlement cities are eligible to apply on a competitive basis annually through State HCD for project-specific HOME funds; and as with CDBG, non-entitlement agencies may form regional groupings (similar

to the Urban County CDBG program) for HOME funds. Apparently, Encinitas is an entitlement City, and may qualify for funds in the 1993 Federal budget year, February/March 1993. The amount is unknown at present. HOME funds may be required to be matched for various types of projects.

Housing Program Description

The following describes each of a full range of housing programs to be implemented by the City of Encinitas. Programs are categorized by descriptive classes, including existing and proposed zoning code measures, County HCD programs, CDBG-related programs, existing and proposed new programs to maintain housing affordability, existing and proposed programs to create new housing opportunities, direct household support programs, and administrative and other measures. The following listing also letter-designates each program (I-a, b, c, etc.) for reference in the Housing Programs Table. The Housing Programs Table discloses the City's commitment to each program over the next five year period, 1990 through 1994. For each program with a quantified objective, this five year objective is also stated below, following the program description.

The programs outlined below and set forth in Table 9 are designed to comprehensively address the City's identified housing needs. When implemented successfully, they are expected to achieve this goal. Future analyses and updates to check the City's progress in implementing the Element will focus on the success in applying these programs. Failure to adequately address identified needs may require adjustments, changes, or additions to programs. These may include, but are not limited to, investigation of the usefulness of selected density increases to meet housing needs, subject to economic and environmental factors, and the public health and safety. These kinds of alternatives, if warranted, will have to be analyzed for their practicality, success in addressing housing needs, and likelihood to produce other impacts or effects which may be adverse. Not all of the programs listed in Table 9 are expected to be implemented within the 5-year timeframe, 1990-1995. Program III-d is uncertain due to a federal stop on provision of funding. Programs V-g and VI-f, g, h and i are uncertain due to other funding

limitations. As a result, these programs are not included in the quantitative 5-year objectives, and their implementation is not required to meet 5-year goals. They are listed as "optional programs, in case opportunities for funding and administration arise; they can then be applied to augment other 5-year programs.

I. Zoning Code - Existing Provisions

There is a direct relationship between housing goals and land use planning. The Land Use Element of this General Plan and its implementing zoning regulations is the City's single most important "housing program", in providing for the number, and range of type, of housing units needed. Discussion under the Housing Needs, Housing Constraints and Housing Opportunities 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 (as adopted March 29, 1989) are designed to insure that the City achieves its housing objectives as a result of zoning implementation. Note that some of the City's zoning provisions are identified as simply needing to be maintained, while for others, the Element recommends modification or "fine tuning" through Zone Code amendment.

- a. Overall Land Use Plan Implementation. Continue to apply zones through the Zoning Code and Zone Map to correspond to the Land Use Element's residential designations, to implement the basic range of residential housing types, the densities, and the overall number of housing units planned. These include the single family residential categories, the multifamily categories (R-11 through R-25 zones), and the specialty category of Mobile Home Park (MHP). Based on historic development activity in Encinitas, the five year goal of this program is for the creation of 1,000 additional dwelling units.

- b. Accessory Apartments. Known also as "second units" and "granny flats". Continue to apply zoning code provisions which provide for allowance of accessory apartments under zoning, consistent with provisions of State law. Maintain and implement existing program. Review current parking requirement for accessory apartments to insure that minimum offstreet parking need is met but does not become excessive. Review the allowed occupancy of accessory apartments (currently limited to elderly, family members and the handicapped). Also review for consideration of allowing the development of accessory apartments simultaneously with the development of principal single-family dwellings. Consistent with the level of second unit development in previous years, the five year goal for this program is for the creation of 20 second units.
- c. Agricultural Worker Housing. Continue to provide for allowance of agricultural worker housing accessory to agricultural/horticultural land uses under zoning. Review development standards/limitations now in effect for agricultural worker housing to avoid disincentives, and for flexibility in the type of structure allowed as accessory agricultural worker housing. The goal for this program is for the addition of 35 agricultural worker units to the housing stock.
- d. Mobilehome/Trailer Parks. Continue to provide zoning provisions which allow development of new mobilehome/trailer parks, and which recognize and allow expansion of existing parks. Maintain the exclusive mobilehome park zone (MHP) where appropriate; continue to provide for parks as an option under other zones. The five year Housing Element goal through the application of the MHP Zone is for the conservation of 230 mobilehome units.
- e. Manufactured Housing. Continue to allow placement of mobilehome/ manufactured housing units or single-family dwellings as per State law.

- f. Community Care Facilities. Continue to allow for development of community care, congregate care, or residential care facilities under zoning to meet special housing needs of elderly who need ability assistance and the handicapped. Review code allowance to consider expansion of zones/locations where such development may be appropriate. The five year goal is for the creation of 150 congregate care units for the elderly and/or handicapped based on identified need.
- g. Small-Scale Care Facilities. Continue to provide for residential care facilities for six or fewer clients under residential "zone" as specified by State law.
- h. Density Bonuses. Continue to provide zoning code provisions to allow density bonuses in return for guarantees of affordable dwelling units in new construction as provided by State law. Review code to insure consistency with requirements of new State law, AB 1863., 1989 statutes. Pursuant to State law, if a developer allocates at least 20% of the units in a housing project to lower income households, 10% of the units for very low income households, or at least 50% available to "qualifying residents" (e.g. elderly, agricultural workers), the City must grant a density bonus of 25% and one other regulatory concession. Developers granted a density bonus enter into an Affordable Housing Agreement with the City to ensure the continued affordability of the units. The City's five year target for affordable units developed through the density bonus program is 50 units.

II. Zoning Code - New Provisions

In addition to provisions already incorporated into the City's 1989 zoning regulations, there are other measures which may be added to the Code related to housing needs and concerns, as follows:

- a. Multifamily Offstreet Parking Requirements. Review the City's offstreet parking requirements for multifamily development, to assure the minimum offstreet need is satisfied, but the City's requirements are not excessive. Staff shall review these provisions and make specific recommendations to the Planning Commission and City Council regarding possible changes. Changes must be considered at public hearing prior to adoption.
- b. Family-sized Multifamily Housing. Review Zoning Code development standards to identify and remove disincentives for the development of multifamily dwellings large enough to accommodate large families. E.g., examine development standards based on number of bedrooms per unit. Staff shall review these provisions and make specific recommendations to the Planning Commission and City Council regarding possible changes. Changes must be considered at public hearing prior to adoption.
- c. Mobilehome/Trailer Park Overlay Zone. Address establishing a mobilehome/trailer park overlay zone to facilitate the conservation of mobilehome and trailer units in the City. Different from the exclusive MHP zone already in Code, this overlay would recognize existing mobilehome/trailer parks under other zone designations, designate a legal conforming status, and provide the basis for other programs which act as incentives for park rehabilitation and maintenance. Staff shall make specific recommendations to the Planning Commission and City Council. These proposals must be considered at public hearing prior to adoption. The five year goal for this program is the

conservation of 520 affordable mobilehome/trailer units.

- d. Emergency/Transitional Shelters. Address amending the Zoning Code to assure the allowance of emergency shelters and transitional housing as a permitted land uses. City staff shall prepare amendments to the Zoning Code for consideration by the Planning Commission and City Council. These must be considered at public hearing prior to adoption.

III. County Housing Authority Programs

The City currently has an agreement with the County which authorizes the County Housing Authority to operate within City limits for a variety of housing programs. In essence, for these programs, the County Housing Authority is the City's housing authority. The advantage to the County in this arrangement is being able to include the City's population and area as part of the Housing Authority's total service base in competing for federal program funding. The advantage to the City is having housing programs already on-line and available to apply within City limits. These programs will remain available to apply within City limits, depending on federal program funding, as long as the City continues its agreement with the County. The City will maintain this affiliation for the five year term of this Plan, insofar as this is under the City's control, and for the purpose of continuing these programs.

As a recently incorporated City, Encinitas is still gaining experience in the implementation of housing programs, and has not taken full advantage of those programs offered by the County. In order to expand the City's involvement in housing programs, the Housing Element calls for the creation of a "Housing Coordinator" position (refer to program IXa). With the Housing Coordinator to pursue City involvement in County Housing Authority, HCD and other programs, the City's goal is to achieve enhanced participation in the following programs:

- a. Section 8 Existing Housing Payments Program. Applies to very low income households only. Qualifying households receive certificates, denoting their participation in the program. These households find their own housing in the private housing market; landlords must be willing to enter into a contract with the Housing Authority which limits total rent for the unit involved to a "fair market rent" level established by HUD for this region. The Section 8 household pays no more than 30% of its income for rent; HUD pays the landlord the difference between this 30% and the "fair market rent". The Housing Authority provides all local administration, including qualification of the household, and qualification and inspection of the rental units. All funding is from the federal government; the City has no direct or indirect expenses. The "twelve-month equivalent" of 13 households in Encinitas were assisted by this program in 1989. The five year goal of this program, combined with the housing voucher program, is for assistance to an additional 200 new households beyond the number of households already being assisted.
- b. Housing Voucher Program. Very low income households only. Almost exactly like the Section 8 program above, except that rents charged by landlords may exceed HUD's "fair market rate rent levels. Participating households pay 30% of their income, plus any increment of rent above the HUD "fair market rent". HUD pays the landlord the difference between the household's 30% of income and the "fair market rent". All funding is from the federal government; all local administration by County Housing Authority; no City expenses or administration. The "twelve-month equivalent" of 29 households in Encinitas were assisted by this program in 1989. The five year goal of this program, combined with the Section 8 Program, is for assistance to an additional 200 new households beyond the number of households already being assisted.

c. Section 17 Rental Rehabilitation Program. This program encourages the rehabilitation of existing rental dwelling units. Grants are given for property owners to upgrade existing substandard buildings. Rents for upgraded units are only limited to be no higher than HUD's "fair market rent" for that type and number of bedroom unit; rents are not otherwise limited, and thus are not necessarily guaranteed to be "affordable" to very low, low, or moderate income households. Grants are limited to be no more than an average of \$5,000 per unit, and no more than 50% of the project's total rehabilitation costs. All funding is federal, through HUD; County Housing Authority provides all administration. No costs to City. While this program has not been utilized in Encinitas, the City's Housing Programs coordinator will pursue funding for the City, with the five year goal of achieving 50 rehabilitated units.

d. Section 8 Moderate Housing Rehabilitation Program. "Moderate" here refers to the degree of structural rehabilitation provided to a building, and not moderate rent or income levels. The program is targeted to help very low income households. Rehabilitation of substandard rental units is encouraged, not by providing grants or financing for rehabilitation, but instead by guaranteeing Section 8 rent payments to owners who rehabilitate units and then rent them to Section 8 households. Funding is all federal, through HUD; County Housing Authority provides all administration. No City costs. While Federal funds for this program are not currently available, the City's Housing Coordinator will pursue funding as it becomes available.

IV. CDBG-Related Programs Through County HCD

There are a number of programs which are available to apply in the City through the City's participation in the federal CDBG program as a non-entitlement City. The County Department of Housing and Community Development

(HCD) administers all of these under its "Urban County" CDBG program. By participating as a non-entitlement City, Encinitas also participates financially in the provision of all these programs, which are available to City residents and property owners. These programs remain active and available to apply in the City as long as the City is one of the non-entitlement cities involved in the "Urban County" program. Should Encinitas become an entitlement city in the future, this arrangement will end; however, Encinitas may enter into an agreement with County HCD to continue to operate any or all of these programs, funded by whatever source of City funds the City may choose. (This could include City general funds, specific allocation of City CDBG monies, redevelopment housing funds, in-lieu housing fees which may be collected by the City, etc.) As funded directly by the City, these programs are applied exclusively within City limits. Even as a non-entitlement City, the City can choose to augment the funding now applied to any or all of the below programs to increase their application within City limits.

- a. Residential Rehabilitation Program. Provides rehabilitation loans directly from HCD to qualified target households who are owner-occupants of existing units which are in need of physical rehabilitation. As a CDBG program, these are 0% loans, with payment deferred until the owner-occupied unit is sold to a new party; upon sale, the outstanding principal is paid through the sale. (In essence, then, these are "grants" repaid upon sale out of the proceeds of the sale.) Also as a CDBG program, this program is offered to lower and very low income households, only. Loans are currently limited to \$20,000 each. This program operates to maintain the existing stock of affordable owner-occupied housing, and enables target households to remain in affordable housing without detrimental financial impact to them. The City's goal is for the rehabilitation of 50 units under this program over the next five years.

- b. Interest Subsidy Program. Loans from private lending institutions to qualified target households are subsidized by HCD to reduce loan rates and make the loans more affordable. Rates are typically reduced from current-market 11%, to 7% or 5%. HCD pays the lending institution the difference. Loans can be used for residential rehabilitation, affordable home purchase, or other CDBG-qualified housing purpose. The City's five year goal is for the issuance of ten housing loans at subsidized interest rates.
- c. Elderly/Handicapped Grant Program. HCD provides outright grants, currently limited to \$1,500 per household, to qualified elderly (62+ years for at least one household member) or handicapped household of owner-occupied dwellings. As a non-entitlement CDBG program, currently limited to lower and very low income households. Grants are for housing rehabilitation purposes. Thus, this program acts to preserve existing affordable housing stock and enables target households to achieve safe and sanitary housing with no financial impact to them. The Housing Element sets forth a goal of 10 grants over the next five years.
- d. Weatherization Program. HCD provides outright grants, currently limited to \$1,000 per household, to qualified target households of owner-occupied units. Grants must be used for weatherization, e.g., roof work, window/door seals, etc. As a non-entitlement CDBG program, currently limited to lower and very low income households. Program acts to preserve existing affordable housing stock and enables target households to achieve affordable safe and sanitary housing with no financial impacts. The Housing Element goal is for the issuance of ten weatherization grants.

e. Mobilehome/Deferred Loan Program. Very similar to the Residential Rehabilitation program. As currently run, 0% deferred-payment loans are made to qualified households of owner-occupied mobilehome units for rehabilitation. Currently limited to \$5,000 maximum per household. As a CDBG program, currently limited to very low income households only. Program acts to preserve existing stock of affordable owner-occupied mobilehome and trailer units, and enables target households to achieve affordable safe and sanitary housing with no financial impact. Based on the significant number of mobilehome units in need of rehabilitation, the goal for this program is for the issuance of 50 loans over the next five years.

f. Mobilehome Occupant Assistance Program. HCD provides, as currently operated, 5% deferred-payment loans, maximum \$19,000 each, to qualified households who are tenants in existing rental mobilehome parks. Loans are used to allow the households to buy mobilehome or trailer units in mobilehome parks and the park spaces on which the units sit. This program is applied in conjunction with the conversion of a space-rental mobilehome or trailer park over to a park subdivision, condominium park, or other form of owner-occupant park ownership. This program acts to preserve the stock of existing affordable mobilehome/trailer park housing, and enables target households to have assured housing through ownership. The City will facilitate the use of this program through advertising its availability to park tenants, and by co-signing loans for park conversions.

V. Programs to Maintain Existing Affordable Housing Arrangements

It is as important to maintain existing affordable situations as it is to create new housing opportunities. Loss of existing affordable situations will only exacerbate existing unmet housing needs. The maintenance of housing in terms of minimum safety and

sanitary conditions is also important. Such programs can have the added advantage of upgrading existing City neighborhoods if targeted at specific areas. The following programs are aimed at maintaining the affordability and livability of the City's housing stock. Note that several of the following programs involve grants or subsidized loans, e.g., for housing rehabilitation. Grants will normally come directly from the City or Redevelopment Agency, through a City-established Housing Authority or under contractual arrangement with the County Housing Authority. Loans can also come directly from the City/Redevelopment Agency. But subsidized, below-market loans can also be arranged through private lending institutions. The City/Agency subsidizes loans by paying the bank the difference between market and the lowered rate, and/or by guaranteeing the payment of the loan. Loan interest rate can be reduced to as little as 0%, depending on the affordability gained.

- a. Code Enforcement. Establish and maintain a City-wide program of dwelling unit inspection and enforcement of minimum health and safety standards. Coordinate the City's code enforcement efforts with rehabilitation assistance to qualifying households.
- b. Condominium Conversions. Address establishing regulations in the City's Subdivision Ordinance to limit the number of conversions of rental dwellings to condominium or other individual-ownership status, based on the availability of adequate remaining rental stock. City staff will prepare specific draft regulations and submit these for Planning Commission and City Council consideration.
- c. Mobilehome/Trailer Park Housing. Establish incentives to owners of existing mobilehome/trailer parks to encourage the parks to remain as housing, and to be provided as affordable housing. Note the Urban County CDBG - operated programs under County HCD, above: expand their application in Encinitas, add additional funding for application exclusively in

City limits as funding sources may be available. Consider additional/parallel City/ Redevelopment Agency programs as well. City staff will prepare a comprehensive program and present this to City Council for authorization. Program elements may include, but are not limited to, the following: Provide grants, subsidized and/or deferred-payment loans for park rehabilitation; provide grants, subsidized and/or deferred-payment loans for the rehabilitation of individual mobilehome/trailer units in need of rehabilitation. Provide these incentives and subsidies in return for units being guaranteed affordable and/or accessible to target households for a minimum time period. The five year goal of this program is for the conservation of 520 mobilehome/trailer units.

- d. Coastal Zone Housing Requirements. Establish and maintain a program to enforce the housing requirements of California Government Code Sections 65590-65590.1. This includes requirements for maintenance, or replacement of existing affordable housing thus meeting the goal of housing conservation. Since over two-thirds of the City's land area, and an even greater proportion of existing and planned housing units, are in the Coastal Zone, the City will also consider the advantages of requiring these coastal regulations City-wide. Staff will prepare a proposal for Council consideration. This consideration and completion of the administration systems are scheduled to be completed in 1990.

- e. Owner-Occupied Residential Rehabilitation Program. This program consists of providing grants and/or subsidized, deferred-payment loans to qualified target household owner-occupants for the purpose of needed unit rehabilitation. In return, units are guaranteed to remain affordable upon resale for a minimum time period, and/or the grant/loan amount may be required to be repaid upon out of sale proceeds. To implement this program City staff will prepare proposed regulations

and procedures, and submit those to City Council and/or the Redevelopment Agency for consideration to adopt. Implementation depends on available funding sources. The five year goal for this program is to provide rehabilitation assistance to 20 owner-occupied households

f. Rental Residential Rehabilitation Program. This program consists of providing grants and/or subsidized, deferred-payment loans to the owners of rental units in need of rehabilitation, in return for the guarantee that the units will be rented at an affordable rate for a minimum time period. Floor area expansions to accommodate large households can also be involved. To implement this program City staff will prepare proposed regulations and procedures, and submit those to City Council and/or the Redevelopment Agency for consideration to adopt. Implementation depends on available funding sources. The five year goal for this program is to provide rehabilitation assistance to 20 rental dwelling units.

g. Assessment District Subsidies. This is an "optional" program, in that it is not relied upon within the 5-year time frame of this Element to achieve the quantitative regional share objectives established for Encinitas. No quantitative objective is established for this program. However, should program funding become available and the City can determine it has the resources to administer, this program may be applied within this 5-year cycle. Under this program, neighborhoods in need of new or upgraded infrastructure form an assessment district to raise the funds to finance the improvements. The city/ redevelopment agency then pays part or all of the assessment for low and moderate income households. Can be tied to guarantees of unit affordability for a specified term, or requirement to pay back the subsidy upon sale if not affordable. This program can be focused on neighborhoods of significant proportions of existing affordable housing. To

implement this program City staff will prepare proposed regulations and procedures, and submit those to City Council and/or the Redevelopment Agency for consideration to adopt. Implementation depends on available funding sources, and the propriety and feasibility of forming individual assessment districts.

**Paragraph
Added
6/17/92**

- h. Section 236 Housing Renewed Affordability. This program consists of actions to secure the renewed affordability of 30 guaranteed-affordable units in the development known as "Su Case Por Cortez" which will otherwise expire in 1993. This development is subject to the limitations and incentives established under the federal 1990 Low-Income Housing Preservation and Resident Homeownership Act (LIHPRHA). Due to the general financial constraints on the City and lack of other assured funding sources for housing, this program will take maximum advantage of federal financial incentives under LIHPRHA, including incentives for refinancing by the existing owner or backing of financing for any new preferred purchaser, in return for receiving the guaranteed-affordability of the existing 30 units. The level of affordability shall be the same or lower than the existing guaranteed-affordable level. In this program the City will primarily act as a "broker" of any renewed-affordability arrangement, including but not limited to the following: initiating contact with the current owner to determine their intent on sustaining ownership and affordability; acting as go-between between owner, HUD, and potential new purchasers; active identification of priority purchasers and qualified purchasers; and providing technical assistance. The City shall also waive any related City processing fees which may become involved, and consider the provision of any "gap-financing" for a preferred or qualified purchaser and similar incentives, as necessary and as funding sources are available. The five-year goal for this program is the

conservation of 30 existing-affordable units, to be implemented in the third program year (1992-'93).

**Paragraph
Added
6/17/92**

- i. Density-Bonus Housing Renewed Affordability. This program consists of actions to secure the renewed affordability of 37 guaranteed-affordable units in the development known as "Torrey Pines Racquet Club Apartments." This project was approved by the County prior to City incorporation as a density-bonus project, in return for the guaranteed-affordability of the units. The ten-year term of the agreement guaranteeing affordability expires in 1993. Since no government funding was involved in this development, Federal LIHPRHA does not apply. The City will investigate funding sources available, and negotiate directly with the current project owner to determine their receptivity to accepting an agreement for the continued guarantee affordability of the subject units. The City will pursue the use of available funding from, but not limited to, the following: HOME funds pursuant to the Federal 1990 National Affordable Housing Act, which may be applied as a tenant-based Section 8 renter-assistance program for 37 units in this development. The five-year goal for this program is the conservation of 37 existing affordable units, to be implemented in the third program year (1992-'93).

VI. Programs to Create New Housing Opportunities

The City will satisfy its housing objectives through a variety of means, including new construction (also referred in this Element as "development"), housing rehabilitation ("improvement"), and conservation ("maintenance"). A significant proportion of housing needs will be satisfied through new housing construction and the creation of new opportunities which have not previously existed within the present stock of housing. As with housing maintenance programs above, a combination of grants, and subsidized loans are part of several of the programs below.

- a. New Condominium Unit Rental Allowance. Developers of multifamily housing projects may have difficulty securing financing for

construction because of requirements by lending institutions that the units be marketed as owner-occupancy condominium units. Recognizing this, Government Code Section 66452.5 provides that new multifamily projects approved under subdivision maps as condominium projects can be made available for 10 years as rental projects, thereby assuring an at-least temporary addition to the City's rental housing stock. This provision may be applied to multifamily projects under subdivision maps in the City. The City shall promote the availability of this provision to prospective developers.

- b. Equal Opportunity Housing Marketing. As a condition of approval of any new housing development, the City requires that the units be marketed and sold according to procedures to promote equal housing opportunities based on race, ethnicity, sex, religious affiliation, or marital status.

- c. Inclusionary Housing Requirements. The City now has in force an ordinance requiring that subdivisions of 10 or more units provide at least one unit set aside for low income households. An in-lieu fee can be paid to the City as an option. This existing inclusionary regulation needs to be clarified in several respects, e.g., that the affordability of a set-aside unit needs to be assured. The value of the in-lieu fee also needs to be established. At the same time, an amendment of the inclusionary requirements should be initiated to consider the following: Expand the inclusionary requirement to apply to all housing developments, not just subdivisions. Allow developers to guarantee to the City off-site units, not just units in the subject project, as an alternative to in-lieu fees. Expand the inclusionary requirement to all residential projects, not just those of 10 or more units, and provide that projects of fewer than a whole unit inclusionary requirement pay a proportional share of the in-lieu fee. Note that institution of these

inclusionary provisions would automatically fulfill Coastal Zone Housing provisions for new construction (see below). City staff will prepare a detailed proposal for these changes to the inclusionary program and present them to Planning Commission and City Council for approval. The five year goal for this program is to provide 100 unit's affordable to lower income households (10% of expected total construction).

- d. Coastal Zone Housing Requirements. Per California Government Code Section 65590, all new housing construction within the Coastal Zone is subject to findings and requirements that affordable new units be included. The City will establish and maintain a program to implement those regulations, thereby helping to achieve the goal of new affordable housing developments; this program will overlap with and be implemented by the City's inclusionary housing requirements. Since these provisions of State law are mandatory, City staff has already begun (1989-1990) to set up and operate administrative systems. Since the Coastal Zone incorporates over two-thirds of the City's area, and a greater proportion of the City's existing and planned housing units, the City will also consider the advantages of establishing those provisions City-wide. Staff will prepare a proposal for Council consideration. This consideration and completion for administrative systems is scheduled for completion in 1990.
- e. Specific Plans Mixed Use Development. The Land Use Element provides that the Old Encinitas, Cardiff Commercial Area and 101 Corridor (Leucadia) specific plans may include provisions for mixed use development in commercial districts. Mixed use development means inclusion of residential units along with development of principal commercial uses. Mixed use residential provisions may include requirements or incentives to be affordable. Adoption of such provisions should result in the development of new,

affordable housing units, but their adoption and the details of their institution must be worked out in the process of crafting and adopting these area specific plans. The Old Encinitas and Highway 101 specific plans are now scheduled for development through 1991. Adoption is subject to considerable public input, and public hearings before Planning Commission and City Council. The five year goal is for the creation of 10 new units affordable to very low and low income households.

- f. Land Cost Write-Down Program. This is an "optional" program, in that it is not relied upon within the 5-year time frame of this Element to achieve the quantitative regional share objectives established for Encinitas. No quantitative objective is established for this program. However, should program funding become available and the City can determine it has the resources to administer, this program may be applied within this 5-year cycle. This program involves the City or Redevelopment Agency purchasing land outright, or purchasing partial land interests. Land acquired outright is sold or leased for development subject to a requirement that units developed be affordable and/or suitable for special needs households (guaranteed through deed restrictions to which the City is a party). Land is sold or leased by the City/Redevelopment Agency at a lower-than-market price to subsidize the affordability of units. Partial land interests in land otherwise owned by development interests is another way of underwriting affordable units. To implement, City staff will analyze the feasibility and cost effectiveness of this program, and present results to the City Council and/or Redevelopment Agency for adoption.

- g. Subsidizing Off-Site Improvement Costs. This is an "optional" program, in that it is not relied upon within the 5-year time frame of this Element to achieve the quantitative regional share objectives established for Encinitas. No

quantitative objective is established for this program. However, should program funding become available and the City can determine it has the resources to administer, this program may be applied within this 5-year cycle. Private developers under this program receive City/Redevelopment Agency subsidization of off-site improvement costs (e.g., street improvements, drainage improvements, utility extensions or undergrounding). In return a proportion of project units are guaranteed affordable via deed restrictions. To implement, City staff will analyze the feasibility and cost-effectiveness of the program, including identifying available funding sources, and present results to the City Council and/or Redevelopment Agency for adoption.

- h. Second Trust Deeds for First-time Buyers. This is an "optional" program, in that it is not relied upon within the 5-year time frame of this Element to achieve the quantitative regional share objectives established for Encinitas. No quantitative objective is established for this program. However, should program funding become available and the City can determine it has the resources to administer, this program may be applied within this 5-year cycle. The City/Redevelopment Agency will provide second trust deeds on behalf of qualified first-time home buyers to underwrite the affordability of units they buy. Interest rates are reduced (to as low as 0%) and payment is deferred, to be repaid upon resale of the dwelling or subject to a balloon repayment after a specified time. To implement, City staff will analyze the feasibility and cost-effectiveness of the program, including identifying available funding sources, and present results to the City Council and/or Redevelopment Agency for adoption.
- i. First-Time Buyer Property Rehabilitation. This is an "optional" program, in that it is not relied upon within the 5-year time frame of this Element to achieve the quantitative regional share objectives

established for Encinitas. No quantitative objective is established for this program. However, should program funding become available and the City can determine it has the resources to administer, this program may be applied within this 5-year cycle. The City/ Redevelopment Agency will purchase and upgrade owner-occupied units in need of rehabilitation. Rehabilitated units are sold to qualified income-restricted households at affordable prices; special-needs households can also be targeted. The affordable sales-price maximum is passed on upon resale or the subsidy difference can be repaid, through deed restrictions. To implement, City staff will analyze the feasibility and cost-effectiveness of the program, including identifying available funding sources, and present results to the City Council and/or Redevelopment Agency for adoption.

- j. Agricultural Worker Housing Development Assistance. Incentives under this program will be offered to encourage provision of accessory agricultural worker housing by agriculture/greenhouse operations. Incentives may include but are not limited to grants or subsidized loans to farm owners to provide agricultural worker housing. The City/Redevelopment Agency may also purchase and lend safe and sanitary agricultural worker housing trailer units. To implement, City staff will analyze the feasibility and cost-effectiveness of the program, including identifying available funding sources, and present results to the City Council and/or Redevelopment Agency for adoption. Through this additional assistance, the five year goal is to realize 35 agricultural worker units.

- k. Transitional Housing/Emergency Shelter Development Assistance. Emergency shelter simply provides for the immediate, basic shelter needs of the homeless. Transitional Housing is designed more to be transitional to more permanent housing for homeless individuals and families, once they have had an opportunity to solve

their employment, transportation, child care, and other problems related to homelessness. Transitional housing and emergency shelter facilities should specifically be limited in terms of the length of time they are available to individual households (e.g., 90 days) to make room for other homeless households. The most successful shelter facilities are also places where other needed help, e.g., employment and transportation services, are also made available. Transitional housing and emergency shelters under this program can be available to any homeless household, or may be targeted to specific need categories - single-parent homeless households, "battered wife" homeless families, homeless minors, or families as opposed to adult individuals, based on greatest identified need. The City/Redevelopment Agency under this program will sponsor or assist emergency shelter and transitional housing facilities, inside City limits or outside within a reasonable proximity. Consideration will also be given to encouraging or supporting facilities by provision of siting opportunities to operator agencies, grants, or low-cost loans. Placement assistance for homeless households found within City limits may also be provided. This program will also recognize the existing services provided by the Community Resource Center, a private non-profit service agency based in Encinitas. The CRC presently provides vouchers to homeless households for temporary shelter and provides services to solve the problems causing their homelessness. A contractual agreement with CRC and financial support for this service will be considered as a program alternative. City staff will develop the details of this program and present to City Council and/or the Redevelopment Agency for adoption.

1. Self-Help Housing Program. The City under this program will provide administrative and support services for low/moderate income self-help builders. Services typically include training and supervision of builders, loan packaging and

counseling, self-help housing workshops, and possible office costs. Mortgage assistance funding may accompany this program to help qualified households achieve affordable housing. This program might be organized to be provided through a regionally-based agency, e.g., County Housing Authority under contract to the City. Self-help housing may also be used for affordable existing unit rehabilitation and provides limited employability training services. City staff will develop the details of this program and present to City Council and/or the Redevelopment Agency for adoption. The five year goal is to realize self help assistance to 10 households.

VII. Direct Household Support and Services

Housing needs will be partially addressed through support services and subsidies to target households. Direct support to target households includes programs now operated under agreement with County HCD, including Section 8 housing certificate and Housing Voucher programs. The following are additionally offered, and will continue to be offered as long as necessary and practical.

- a. City Jobs Center. Maintain the existing City jobs center to help put heads of homeless households in touch with employment opportunities. Employment income is commonly one of the greatest needs of the homeless. The existing job center is now established in temporary facilities on El Camino Real. The objective of this program is to continue to offer this service.

- b. Centralized Social Services Referral/Outreach. In addition to job referral, the City jobs center can be established as a comprehensive center for referral to other available support services for homeless households. These may include transportation services, child care, etc. from a variety of social service agencies in the County. Under this program, City staff will investigate the feasibility of providing expanded

services and present this to City Council for consideration of adoption.

- c. Seniors Shared Housing Referral. This program provides a clearinghouse to place limited-income seniors in need of affordable housing in touch with other seniors in owner-occupied units who wish to share housing costs. Both households are thus assisted with housing costs. Lifeline, a non-profit social service agency located in Vista, operates a senior shared housing service for North County residents. While seniors in Encinitas have utilized this program, more active marketing could significantly enhance usage of the program. The City will adopt a formal position of support for Lifeline, and maintain communication through the office of the City Housing Programs Coordinator. Funding to Lifeline will be provided as available to support this program. The City's goal is to achieve 30 roommate matches annually through placement of informational brochures at City Hall and senior centers in the community.
- d. Affirmative Housing Information Outreach Program. To supplement County HCD's Affirmative Fair Housing program. The County program provides a broad spectrum of housing information and housing rights promotion, including general information and rights pamphlets, information on specific Urban County programs, and landlord/tenant outreach and mediation. It also includes participation in the San Diego Regional Fair Housing Task Force. As a participant in the Urban County CDBG program, the City has these services available. The City will promote the use of these services to city residents and developers, and supplement the County program with direct information from the City Housing Program Coordinator's office on current housing programs and financing availability; counseling on low cost home rehabilitation and maintenance; residential energy conservation techniques; tenant's rights; and tenant-landlord mediation.

e. Child Care Programs. Affordable and available child care services are important for single-parent households and households with two income-earners which may be of limited income. The City can encourage day care facilities by several means, including but not limited to: requiring their inclusion in publicly subsidized housing projects with a stated proportion of families; offer incentives to private developers to include day care facilities in both residential and commercial projects; and contract with a resource and referral service to inform parents in Encinitas about child care facilities in the community. Under this program City staff will investigate the feasibility and funding availability to support child care programs, and present recommendations to City Council for consideration of adoption.

f. City-Funded Housing Vouchers. The City/Redevelopment Agency can fund its own housing voucher program to qualified target limited-income households. This program would directly subsidize the housing costs of limited-income households. Under this program the City staff will investigate the feasibility of a voucher program, identify alternatives, and identify available funding sources. This program will recognize and consider supporting the existing services provided by the Community Resource Center, a private non-profit service agency based in Encinitas, to the extent that the CRC can operate a voucher program for permanent residency. It will also consider a contractual arrangement with the County Housing Authority. Final recommendations will be presented to City Council and/or the Redevelopment Agency for consideration of adoption. The five year goal is for the provision of 50 City funded housing vouchers.

VIII. Other Housing Programs Implementation

- a. Housing Development Fees. These development fees pay for needed infrastructure improvements to assure the safety and viability of residential neighborhoods, achieving housing goals and policies. This program will maintain the impact fee system to assure adequate support facilities for housing. Related to program I-h above, density bonuses, the City may identify the reduction or waiver of certain fees in return for guarantees of affordable housing. This will be identified in conjunction with implementation of program I-h.
- b. Housing Energy Conservation. The City applies residential energy conservation requirements of Title 24 to all new construction. Subdivision map findings through the State Subdivision Map Act apply to the consideration of all subdivisions. Finally, the City's Growth Management Program may establish merit for energy conservation as an encouragement for project building permit release. This program consists of maintaining the Title 24 and Map Act provisions, and finalizing the growth management merit system in 1990.
- c. Handicapped Housing Requirements. The City applies the requirements of State Title 24 to all new housing development. Changes in Title 24 effective January 1, 1990 assure not just accessibility, but functionality for handicapped as well, and better address the provision of handicapped units. This program consists of maintaining Title 24 requirements.

IX. Housing Programs Administration

- a. City Housing Program Administration. As a recently incorporated City, Encinitas is still gaining experience in the implementation of its housing programs. Many available programs, such as those offered through the County Housing Authority and HCD, have not been taken full advantage of. In addition,

significant new program commitments, including all programs identified in the Housing Element, will require more extensive administration. The devotion of adequate management toward housing program administration will to be a key element for the success of City housing programs. This program consists of identifying clearly all of the responsibilities of a "Housing Programs Coordinator," and either assigning existing staff to these responsibilities and/or hiring additional staff for these purposes. This is to be accomplished in the first year of the Element, 1990.

**Paragraph
Amended
6/17/92**

Housing Programs Table

Table 9, the Housing Programs Table, provides a complete summary of the City's comprehensive housing program over the five year term of the Housing Element, 1990-1995. Expected funding sources and responsible implementing offices of the City are identified. The five year goal for each program is identified, whether it be qualitative (e.g. "adopt regulations as needed") or quantitative (e.g., "development of 100 housing opportunities affordable to low/very low income households"). Qualitative goals where appropriate are further broken down by household income categories. The schedule of implementation for each program is noted (e.g., years 2-5 of the five year term of the Element). Additionally, the housing policy(ies) and objective(s) which each program serves to implement are noted, referenced by the policy objective numbers designated earlier in the Element. At the end of the Table, a summary total is provided for the quantitative goals for housing construction (development), housing rehabilitation (improvement), and housing conservation (maintenance) over the five year term of the Housing Element. Thus, the Housing Programs Table provides a complete, at-a-glance reference for the City of Encinitas' five year comprehensive housing program.

TABLE 9 - HOUSING PROGRAMS TABLE

<u>Program</u>	<u>Responsible Agency/Office</u>	<u>Funding Source*</u>	<u>Policies/Objectives Implemented**</u>	<u>5-Year Goals</u>	<u>Schedule to Implement</u>	
I-Existing Zoning Code Provisions						
I-a	Implementation of Land Use element - residential types and densities.	Planning Dept., City Devel. Approval Bodies	A	1.1, 1.2, 1.3, 1.4, 2.3, 3.6, 3.7, 3.8, 3.9, 3.10, 3.11, 3.12, A, C	Development of 1,000 Dwelling Units at varying residential densities. Exclusive of inclusionary units (see IV below), 87 for very low, 65 for low, 210 for moderate, 638 for upper income households.	Ongoing
I-b	Maintain accessory unit allowance. Review parking requirement for accessory units and allowance simultaneously with construction of principal dwelling.	Planning Dept., City Devel. Approval Bodies	A	1.1, 1.2, 1.4 2.3, C, D, K-1	Creation of 20 accessory Dwelling Units targeted towards seniors, handicapped and family members, 11 for very low, 9 for low income.	Ongoing/Parking Review: 1st Year
I-c	Maintain agricultural worker housing as an accessory use to agricultural operations.	Planning Dept., City Devel. Approval Bodies	A	1.1, 1.2, C, G, K-1, K-2	35 agricultural worker accessory dwellings affordable to very low income households.	Ongoing/Review: 1st year.
I-d	MHP Zoning and related zoning provisions for mobilehome/trailer parks.	Planning Dept., City Devel. Approval Bodies	A	1.1, 1.2, 1.6, C, K-2	Conserve 230 mobilehome units, affordable at moderate, low and very low income levels.	Ongoing
I-e	Manufactured Housing.	Planning Dept., City Devel. Approval Bodies	A	1.1, 1.2, 1.4, 2.3, C, K-2	Continue to allow in single family zones.	Ongoing

TABLE 9 - HOUSING PROGRAMS TABLE

<u>Program</u>	<u>Responsible Agency/Office</u>	<u>Funding Source*</u>	<u>Policies/ Objectives Implemented**</u>	<u>5-Year Goals</u>	<u>Schedule to Implement</u>	
I-f	Maintain congregate care facility allowance. Investigate expansion of location by zone.	Planning Dept., City Devel. Approval Bodies	A	1.1, 1.2, D, E	150 congregate care units for seniors and/or handicapped, 85 at very low, 65 at low income categories.	Ongoing/Review for expansion: First year.
I-g	Small Scale Care Facilities.	Planning Dept., City Devel. Approval Bodies	A	1.1, 1.2, D, E	Continue to allow as proposed.	Ongoing
I-h	Density Bonuses	Planning Dept., City Devel. Approval Bodies	A	1.1, 1.2, 2.3, C, K-1	50 dwelling units, 28 affordable to very low and 22 to low income households.	Ongoing
II-New Zoning Code Provisions						
II-a	Review multi-family offstreet parking requirement.	Planning Dept., Planning Commission, City Council	A	2.3,K-2,L	Review requirement and consider recommended modifications.	1st year.
II-b	Review and consider modifications to zoning regulations re: family-sized multi-family housing.	Planning Dept., Planning Commission, City Council	A	1.1, 1.2, 2.3, B, F, L	Review code and consider recommended modifications multi-family development standards.	2nd year.
II-c	Address establishing mobilehome/trailer park overlay.	Planning Dept., Planning Commission, City Council	A	1.1, 1.2, 1.4, 1.6, K-2	Conserve 520 mobile home/trailer units, affordable to moderate, low and very low income households.	1st year.
II-d	Initiate a zoning amendment to address the allowed location of transitional housing and emergency shelters.	Planning Dept., Planning Commission, City Council	A	1.1, 1.2, 1.8, C, I, L	Amend code to facilitate location of emergency shelters and transitional housing.	2nd year.

TABLE 9 - HOUSING PROGRAMS TABLE

<u>Program</u>	<u>Responsible Agency/Office</u>	<u>Funding Source*</u>	<u>Policies/ Objectives Implemented**</u>	<u>5-Year Goals</u>	<u>Schedule to Implement</u>	
III-County Housing Authority Programs						
III-a	Promote Section 8 Certificates.	County Housing Authority/City Housing Programs Coordinator	E	3.3, C	Continued assistance to 42 very low households, with additional assistance to 200 very low income households over 5 years.	Years 1-5.
III-b	Promote Housing Vouchers.	County Housing Authority/City Housing Programs Coordinator	E	3.3, C		Years 1-5.
III-c	Promote Section 17 Rental Rehab.	County Housing Authority/City Housing Programs Coordinator	E	3.3, B, K-2	Improve 50 rental units.	Years 1-5.
III-d	Promote Section 8 Moderate Rehab.	County Housing Authority/City Housing Programs Coordinator	E	3.3, B, K-2,	No 5-year target, however, pursue as funding is available from the Federal level.	Years 1-5.

TABLE 9 - HOUSING PROGRAMS TABLE

<u>Program</u>	<u>Responsible Agency/Office</u>	<u>Funding Source*</u>	<u>Policies/ Objectives Implemented**</u>	<u>5-Year Goals</u>	<u>Schedule to Implement</u>	
IV-CDBG Programs, County HCD						
IV-a	Participate in Residential Rehab. Program.	County HCD/City Housing Programs Coordinator	D	3.3, B, K-2, K-3	Rehabilitation of 50 owner-occupied units, 22 low and 28 very low income.	Years 1-5.
IV-b	Participate in Interest Subsidy Program.	County HCD/City Housing Programs Coordinator	D	3.3, B, C	Issue subsidized loans for 10 units, occupied by 4 low and 6 very low income households.	Years 1-5.
IV-c	Participate in Elderly/Handicapped Grant program.	County HCD/City Housing Programs Coordinator	D	3.3, B, D, E, K-2	10 Grants to lower income households.	Years 1-5.
IV-d	Participate in Weatherization Grant Program.	County HCD/City Housing Programs Coordinator	D	3.3, B, K-2	10 Weatherization Grants, to 4 low and 6 very low income households.	Years 1-5.
IV-e	Participate in Mobile Home Deferred Loan.	County HCD/City Housing Programs Coordinator	D	1.1, 1.2, 1.6, 3.3, B, K-2	Loans to 50 very low income mobile home households.	Years 1-5.
IV-f	Participate in Mobile Home Occupant Assistance Program.	County HCD/City Housing Programs Coordinator	D	1.1, 1.2, 1.6, 3.3	City will facilitate use of program through advertising its availability, and by co-signing loans upon conversion of a park.	Years 1-5.

TABLE 9 - HOUSING PROGRAMS TABLE

<u>Program</u>	<u>Responsible Agency/Office</u>	<u>Funding Source*</u>	<u>Policies/ Objectives Implemented**</u>	<u>5-Year Goals</u>	<u>Schedule to Implement</u>	
V-Maintenance of Existing Affordable Housing						
V-a	Code Enforcement Program.	Planning Dept., Code Enforcement Div./Building Dept./City Housing Programs Coordinator	A	3.1, 3.2, B	Continue enforcement for health and safety. Coordinate enforcement actions with available rehabilitation programs.	Ongoing
V-b	Consider Establishing Condominium Conversion Limit.	Planning Dept./Planning Commission/City Council	A	1.1, 1.2, 1.5, C, K-1	Prepare and consider adoption of regulations to avoid loss of rental stock.	1st year.
V-c	Establish and Implement Mobilehome/Trailer Park Incentives.	City Housing Programs Coordinator/City Redevel. Agency	B, C, G, H, I	1.1, 1.2, 1.6, 3.5, B, C, K-2	Conserve 520 dwelling units affordable to moderate, low and very low income households on mobile home/trailer park spaces through rehab., other incentives.	Years 2-5.

TABLE 9 - HOUSING PROGRAMS TABLE

<u>Program</u>	<u>Responsible Agency/Office</u>	<u>Funding Source*</u>	<u>Policies/ Objectives Implemented**</u>	<u>5-Year Goals</u>	<u>Schedule to Implement</u>	
V-d	Establish and Implement Coastal Zone Housing Administrative Systems for Existing Housing.	Planning Dept./City devel. approval bodies	A, F	1.1, C, K-1	Apply to conserve all existing affordable housing units, or collect replacement in-lieu fees and apply fees within 3 years of collection to realize replacement affordable units.	Implementation: Years 1-5. Expansion of coastal rules, city-wide: year 2.
V-e	Establish and Implement Owner-Occupied Residential Rehab.	City Housing Programs Coordinator/ Redevel. Agency	B, C, G, H	3.5, B, C, K-2, K-3	Improve 20 owner-occupied housing units, 11 for very low and 9 for low income households.	Years 3-5.
V-f	Establish and Implement Rental Resid. Rehab.	City Housing Programs Coordinator/ Redevel. Agency	B, C, G, H	3.5, B, C, K-2, K-3	Rehabilitation assistance to 20 rental dwelling units, 11 for very low and 9 for low and lower income households.	Years 3-5.
V-g	Investigate Feasibility of Assessment District Subsidies.	City Housing Programs Coordinator/City Engineering Dept./ City Council/ Redevel. Agency	A, B	3.5, C, K-2	"Optional" program. Evaluate and investigate feasibility and potential application of subsidies	Year 3
V-h	Section 236 Housing Renewed Affordability	City Housing Programs Coordinator	A, G, H, J,	4.1, M	Conserve 30 guaranteed-affordable units, 12 for very low and 18 for low income households.	Year 3
V-i	Density Bonus Housing Renewed Affordability	City Housing Programs Coordinator	A, C, G, K	4.2, M	Conserve 37 guaranteed affordable units, 16 for low and 21 for moderate income households.	Year 3

TABLE 9 - HOUSING PROGRAMS TABLE

<u>Program</u>	<u>Responsible Agency/Office</u>	<u>Funding Source*</u>	<u>Policies/Objectives Implemented**</u>	<u>5-Year Goals</u>	<u>Schedule to Implement</u>
VI-Creation of New Houses Opportunities					
VI-a Promote Condominium Rental Allowance.	Private Developers/City Planning Dept.	A	1.1, 1.2, 2.3, C, K-3	Promote availability of this provision to all prospective developers.	Years 1-5.
VI-b Maintain and Expand Equal Opportunity Housing Marketing Program.	City Housing Programs Coordinator/Planning Dept./Devel. Approval Bodies	A	2.1, 2.2, 2.3, H	Apply to all residential development.	Maintain: Ongoing Expand: Year 2
VI-c Maintain and Expand Inclusionary Housing Requirements.	Planning Dept./City Devel. Approval Bodies Expansion: Planning Dept./Planning Commission/City Council	A	1.4, 2.3, C, J, K-1	Develop 100 units, 57 for very low and 43 for low income households. (10% of total housing construction)	Implementation: Years 1-5. Expansion: Year 1.
VI-d Establish and Implement Coastal Zone Housing Administrative Systems for New Housing Development.	Planning Dept./City Devel. Approval Bodies	A	1.4, 2.3, C, K-1	(Requirements will overlap with, be implemented by City's inclusionary housing requirements, above.)	Years 1-5.

TABLE 9 - HOUSING PROGRAMS TABLE

<u>Program</u>	<u>Responsible Agency/Office</u>	<u>Funding Source*</u>	<u>Policies/ Objectives Implemented**</u>	<u>5-Year Goals</u>	<u>Schedule to Implement</u>
VI-e Prepare and Consider Adoption and Application of Specific Plans Mixed Use Residential Allowance: Establish Allowance/Implement.	Planning Dept./ Planning Commission/City Council	A	1.1, 1.2, 2.3, C, K-1	Design and adopt allowance as appropriate through specific plans. Develop 10 new units affordable to lower and very low income households through year 5, 6 for very low and 4 for low income households.	Establish: Years 1-2. Implement: Years 3-5.
VI-f Investigate Feasibility of, Develop Funding for Land Cost Write-Down.	City Housings Program Coordinator/ Redevelopment Agency	B, C, G, H, I	2.3, 3.5, C	"Optional" program. Prepare and consider for adoption this program to write down land costs, based on availability of funding and administrative feasibility.	Year 3
VI-g Investigate Feasibility of, Develop Funding and Program Implementation for Subsidize Off-Site Improvement Costs.	City Housings Program Coordinator/ Redevelopment Agency	B, C, G, H, I	2.3, 3.5, C, K-2, L	"Optional" program. Investigate funding, feasibility of program. Adopt and apply if feasible and opportunity is available.	Year 3
VI-h Investigate Feasibility of, Develop Funding and Program Implementation for Second Trust Deeds, First-Time Buyers.	City Housing Programs Coordinator/ Redevel. Agency	B, C, G, H, I	2.3, 3.5, C, K-3	"Optional" program. Investigate funding, feasibility of program. Adopt and apply if feasible and opportunity is available.	Year 3

TABLE 9 - HOUSING PROGRAMS TABLE

<u>Program</u>	<u>Responsible Agency/Office</u>	<u>Funding Source*</u>	<u>Policies/ Objectives Implemented**</u>	<u>5-Year Goals</u>	<u>Schedule to Implement</u>	
VI-i	Investigate Feasibility of, Develop Funding and Program Implementation for First-Time Buyer Rehab.	City Housing Programs Coordinator/ Redevel. Agency	B, C, G, U, I	2.3, 3.5, C, K-3	"Optional" program. Investigate funding, feasibility of program. Adopt and apply if feasible and opportunity is available.	Year 3
VI-j	Develop and Implement Agricultural Worker Housing Devel. Assistance.	City Housing Programs Coordinator	B, C, G	1.1, 1.2, 3.5, C, G, K-2, K-3	Develop 35 agricultural worker units affordable to very low income households in addition to those otherwise expected (I-C above).	Years 2-5.
VI-k	Develop and Implement Emergency Shelter/Transitional Housing Devel. Assistance.	City Housing Programs Coordinator	B, C, G	1.1, 1.2, 1.8, 3.5, C, I, K-2, K-3	Provide shelter placement and assistance to satisfy 375 client contacts annually, based on need.	Years 2-5.
VI-l	Develop and Implement Self-Help Housing Program.	City Housing Programs Coordinator	G	1.2, 1.7, C, K-2	Develop self-help assistance to 10 low income households.	Establish: Year 2 Implement: Years 3--
VII-Direct Household Support/Service						
VII-a	Maintain City Jobs Center.	City Transients Issues Coordinator	A	1.8, G, I	Continue to operate.	Ongoing
VII-b	Investigate Feasibility of and Establish Social Services Referral/Outreach.	City Housing Programs Coordinator/ City Transients Issues Coordinator	A, G	1.8, G, H, I	Establish and operate program to maximize access of target households to support services.	Establish: Year 2. Implement: Years 3-5.
VII-c	Maintain Existing Seniors Shared Housing Referrals Program.	City Housing Programs Coordinator	A, C, D	1.1, 1.2, C	Actively market existing Lifeline program. Provide placements for economic benefit to 30 households on an annual basis..	Ongoing
VII-d	Establish and Operate Housing Information Outreach.	City Housing Programs Coordinator	A, B, C, D	2.3, 3.5, G, H, I, J	Operate comprehensive housing programs information and marketing to target households and service suppliers.	Establish: Year 2. Operate: Years 3-5.

TABLE 9 - HOUSING PROGRAMS TABLE

<u>Program</u>	<u>Responsible Agency/Office</u>	<u>Funding Source*</u>	<u>Policies/ Objectives Implemented**</u>	<u>5-Year Goals</u>	<u>Schedule to Implement</u>	
VII-e	Investigate the Feasibility of and Establish Child Care Support/Incentives Program.	City Housing Programs Coordinator/ Planning Dept./ City Devel. Approval Bodies	A, C, G	H, I	Investigate funding requirements and resources for this program. Apply as funding is available.	Establish: Year 3 Implement: Years 4-5
VII-f	Investigate the Feasibility of and Establish City-Funded Housing Vouchers Program.	City Housing Programs Coordinator/ Redevel. Agency	B, G	3.5, C	Provide vouchers to 50 target income households, 28 for very low and 22 for low income.	Establish: Year 3. Implement: Years 4-5.
VIII-Other Housing Programs						
VIII-a	Maintain Housing Development Fees.	City Planning Dept.	A	3.4	Maintain fees as required; investigate feasibility of fee reductions/waiver as part of Density Bonus program (I-H)..	Ongoing
VIII-b	Maintain Housing Energy Conservation Regulations.	City Building Dept./City Planning Dept.	A	3.13	Implement code, subdivision map act and general plan policies for energy conservation with development review and approval.	Ongoing
VIII-c	Maintain Handicap Housing Regulations.	City Building Dept.	A	1.1, 1.2, E	Implement State Title 24 with devel. review and approval.	Ongoing
IX-Housing Programs Administration						
IX-a	Establish the Office of City Housing Programs Coordinator.	City Manager/ City Council	A/B/C		Establish the office of Housing Programs Coordinator for responsibilities outlined in this plan.	Year 1.