



**CITY OF ENCINITAS
CITY COUNCIL
AGENDA REPORT
Meeting Date: November 29, 2006**

TO: City Council

VIA: Phil Cotton, City Manager

FROM: Planning & Building Department
Patrick Murphy, Director
David de Cordova, Principal Planner

SUBJECT: Public Hearing to consider a General Plan Amendment and Local Coastal Program Land Use Plan Amendment adopting the 2005-2010 General Plan Housing Element Update; Case No. 2005-208 GPA/LCPA/EIA

BACKGROUND: The State of California requires every city and county to prepare a general plan in accordance with state law. One of the required elements of a general plan addresses housing policy and programs. The state legislature has long recognized housing as a vital issue of statewide concern, so unlike the other elements of a general plan, the housing element must be updated once every five years and reviewed by the California Department of Housing and Community Development (HCD) for compliance with state law. Through their housing elements, cities and counties are required to contribute toward meeting state housing goals and cooperate with other local governments to address regional housing needs.

The content and process by which a housing element is prepared and adopted is prescribed in Government Code Section 65583. A housing element consists of three primary components: 1) an assessment of existing and projected housing needs for all income levels and “special needs” groups; 2) a set of housing goals, policies and quantified objectives; and 3) a five year program of actions to implement the goals and objectives of the housing element. This program must do several things: identify potential housing sites “for all income levels, including rental housing, factory-built housing, mobile homes, emergency and transitional housing”; assist the housing needs of low and moderate income individuals; address governmental constraints that impact housing; conserve and improve existing affordable housing; and promote equal opportunities for housing. The Executive Summary of the Housing Element (see **Attachment “E”**) provides a brief overview of the document’s content.

ANALYSIS:

A critical part of the Housing Element update process is to get a compliance determination from HCD. In November and December of last year, the City Council reviewed the draft

Housing Element and authorized its release for public comment and review by HCD. In February, HCD issued its review letter (**Attachment “A”**) to the City, recommending that a number of changes be made to the document before the Department can make a finding of compliance with Housing Element law. Since that time staff has been working HCD staff in resolving their outstanding issues and concerns.

Attachment “A” provides a discussion of HCD’s findings and shows the revisions made to the draft Housing Element in response to their comments, both in the 2/24/06 letter and in subsequent communications to date. As of this writing, discussions continue with HCD about remaining issues with the draft Housing Element. Staff will update the City Council if additional changes to the Housing Element are warranted as a result of these continuing discussions.

Other than non-substantive grammatical and formatting changes (which are not shown), the balance of the document remains as presented to the Planning Commission and City Council last year. A “clean” version of the complete Housing Element, incorporating all revisions to date is presented as Exhibit “B” to Resolution 2006-48. The updated Housing Element replaces the old one in its entirety.

On October 12, 2006, the revised draft Housing Element was presented to the Planning Commission for a public hearing and their recommendation to City Council. The Planning Commission voted to recommend approval of the Housing Element as revised to address HCD’s concerns.

Local Coastal Program Amendment

Once adopted, the updated Housing Element will replace the existing one in its entirety. Portions of the existing Housing Element were made part of City’s approved Local Coastal Program (LCP) in 1995 (**Attachment “B”**). Indicated with backshading, the LCP-related text refers to an obsolete description of City regulations of accessory units and farm employee housing. Also included are Housing Programs Ia through Ih, which in effect call for the continued application of existing zoning regulations relative to accessory units, farm employee housing, mobilehome/trailer parks, manufactured housing, community care facilities, and density bonuses. Adoption of the proposed Housing Element will remove these LCP-related passages, thus triggering an amendment to the LCP.

It is unclear why these portions of the Housing Element were included as part of the adopted LCP. Staff notes that they were added to the LCP as part of a package of changes suggested by Coastal Commission staff during the review and approval of the LCP. However, existing state law is clear that an LCP is not required to include housing policies and programs (Public Resources Code 30500.1). As such, staff recommends processing an LCPA to remove any portion of the Housing Element from the LCP. The passages to be removed are outdated and redundant. Since they relate to regulations in the City’s zoning ordinance, which is also part of the LCP, removal of these references from the Housing Element will have no effect on the underlying regulations themselves or the LCP.

The findings to approve the proposed Local Coastal Program Amendment are contained in Exhibit 1 to Resolution No. 2006-48.

ENVIRONMENTAL REVIEW

The City has conducted an Initial Study in accordance with the California Environmental Quality Act (CEQA) and determined that adoption of the updated 2005-2010 Housing Element would not have a significant effect on the environment. A draft Negative Declaration was circulated for a 30-day comment period ending November 13, 2006. No comments were received on the environmental document. Individual programs in the Housing Element will be evaluated for subsequent CEQA compliance as they are implemented. The Initial Study and Negative Declaration are presented as **Attachment “C”**.

FISCAL AND STAFF IMPACTS: Most of the activities recommended in the Housing Element are ongoing in nature and implemented within existing staffing and funding resources. The Housing Element update project is a funded work project in the City’s multi-year Capital Improvement Program. Additionally, the City Council has set aside \$75,000 to assist staff with implementing some of the new programs identified in the Housing Element. The cost for individual affordable housing projects will be determined as projects are identified, along with sources of funding.

Once the Housing Element is adopted and determined by HCD to be in compliance with state law, the City will be eligible to apply for certain funds. For example, Proposition 1C - recently passed by voters - will make available up to \$2.85 billion for a variety of affordable housing and related infrastructure programs. As with previous statewide programs, it is likely that cities will be required to have updated and HCD-compliant housing elements to be eligible for such funds.

In a similar vein, the SANDAG Board of Directors recently adopted a policy linking a city’s eligibility for certain SANDAG-administered funds to demonstrating progress with its Housing Element. Beginning with the 2007 funding cycle, any city wishing to apply for transportation enhancement or bicycle/pedestrian (TransNet/TDA) improvement monies must have an adopted, state-compliant 2005-2010 Housing Element.

RECOMMENDATION: Before public comment is received, disclose all information and contacts received outside the hearing of this matter upon which the decision will be based, conduct the public hearing to receive public comment, and adopt Resolution No. 2006-48, approving the 2005-2010 Housing Element Update and related General Plan and Local Coastal Program amendments, and certifying the Environmental Initial Study and Negative Declaration.

Attachments:

- A – HCD Review Letter dated February 24, 2006 and Revisions to the 2005-2010 Housing Element Update
- B – LCP-related portions of the existing Housing Element to be deleted
- C – Initial Study and Negative Declaration
- D – Written Comments Received on Revised Draft
- E – Resolution No. 2006-48 with Findings and the 2005-2010 Housing Element