

Attachment “A”

Responses to Comments from the Department of Housing and Community Development

The state Housing and Community Development Department’s review has largely focused on the City’s analysis of housing capacity and available sites. Changes to housing element law were enacted in 2004 (AB 2348) to provide more clarity and guidance on the content of an adequate land inventory and sites analysis. The new statute requires detailed analysis of a city’s land capacity given such factors as: the amount of vacant land, infill and redevelopment potential, planned densities, availability of services, and environmental constraints. The analysis must also evaluate the appropriateness of a city’s zoning (density) to encourage and facilitate housing for lower income households.

The Housing Resources section of the Housing Element provides an expanded adequate sites discussion, addressing HCD’s concerns about infrastructure, the suitability of nonvacant and smaller sites, and density. Since the Housing Element relies on mixed-use and infill development to accommodate a significant portion of the City’s regional share of housing need for low and moderate income households, additional information is provided to demonstrate that infill and mixed-use development is occurring and is expected to occur during the planning period.

Another area of attention was on the constraints analysis section of the plan. Cities are required to analyze both governmental and nongovernmental factors that could impede the provision of housing. While cities generally have little influence over nongovernmental factors such as the economy, land prices, finance and construction costs, and environmental constraints, they do have some control over regulatory factors such as development regulations, fees, land use/zoning, and review and permitting processes. Where the analysis indicates certain governmental constraints exist to the provision of housing, the city is required to include a program to address the constraint.

The Constraints section of the Housing Element was expanded to address HCD’s concerns about land use controls, permitting procedures, and potential constraints for persons with disabilities. In particular, the revised Housing Element provides a more detailed analysis of the City’s density policies and their impact on housing capacity. This section provides a more detailed description of the city’s development review and permitting processes. Also, the section clarifies the City’s zoning regulation with respect to residential care facilities.

HCD also commented on the Housing Programs section, noting that many of the programs needed to be strengthened by including more specific actions by the City. The programs referenced were revised to provide the specifics and commitment required by HCD. Finally, the Housing Element was revised to provide more discussion of the Housing Element’s consistency with other elements of the General Plan.

The City’s responses were delivered to HCD staff for a technical assistance review. The preliminary findings are that HCD is satisfied with most of the proposed revisions. At HCD’s request, staff made additional revisions to address outstanding concerns relating to maintaining General Plan

consistency, the treatment of inclusionary housing and density bonuses, and the application of design review approval findings to residential development applications.

The following pages show the revisions made in responses to HCD's written and subsequent verbal comments. Added text is underlined and deleted text is shown in ~~strikeout~~ format.

EXECUTIVE SUMMARY

The Housing Element for the City of Encinitas is a required element of the City's General Plan. It covers the time period of July 1, 2005 to June 30, 2010. The time frame for the housing elements in the San Diego region was extended as a result of changes in the State law. The submittal date for this round of revisions was extended from July 1, 2004 to July 1, 2005. Thus, the Program Evaluation in the 2005-2010 Housing Element covered the time frame from July 1, 1999 to July 1, 2005. The revised element responds to the latest State requirements and was reviewed by the State Department of Housing and Community Development for its compliance with State law. Approval of the Housing Element is the responsibility of the City of Encinitas' City Council.

BACKGROUND INFORMATION

Encinitas is one of the newest cities in the San Diego region. Incorporated in 1986, Encinitas currently has a population of 62,586 spread over more than 19 square miles in the North County coastal area of the San Diego region. The City of Solana Beach forms the southern border, and the City of Carlsbad is its neighbor to the north. The City is bisected by Interstate 5 (I-5), which provides the principal transportation link between the Los Angeles and San Diego metropolitan areas. In addition to being home to several popular beaches, approximately 70% of all the flowering poinsettias in the U.S. and more than 50% worldwide get their start at the Paul Ecke Ranch in Encinitas.

NEEDS ASSESSMENT

According to the San Diego Association of Government's (SANDAG's) 2030 Regionwide Forecast, Encinitas is expected to gain 6,890 new residents and 2,284 new households between 2000 and 2010. The characteristics of the City's population, housing, land use, and employment that affect its housing goals, policies and programs include:

- A larger percentage of residents in the age group of 35 to 64 than in the region.
- An ethnic breakdown of 77 percent White, 16 percent Hispanic, four percent Asian/Other, and 0.6 percent Black.
- A median household income of \$71,384, which is \$19,192 (37 percent) higher than the region.
- A large portion of developed land (47 percent) in residential use.
- An employment base that consists mainly of service sector and retail jobs.
- A high percentage (55 percent) of single family detached homes.
- A housing stock that includes three percent mobile homes.
- A higher rate of homeownership (64 percent) than in the region (54 percent)

**Table 1
REGIONAL SHARE NEEDS
Encinitas, 2005-2010**

Income Category	SANDAG Regional Share Needs 1/1/03 to 6/30/10	Units Constructed 1/1/03 to 6/30/05	Balance of Regional Share 7/1/05 to 6/30/10
Very Low	392 to 502	6465	328-327 to 438-437
Low	299 to 373	19	280 to 354
Moderate	324	0	324
Above Moderate	697 to 513	686-685	++12 to 0
Total	1,712	769	943

The City produced a total of 769 units from January 1, 2003 to June 30, 2005 and demolished 42 units. The regional share would, therefore, be reduced to 943 total units. Of these newly constructed units, ~~64-65~~ were very lower income units; 19 units were low income units; 0 units were moderate income units; and ~~686-685~~ were above moderate income units. Thus, the City's remaining regional share for the 2005 to 2010 time frame would be ~~328-327~~ to ~~438-437~~ for very low income units, 280-354 low income units, 324 moderate units, and 0 above moderate income units.

Of the affordable units, ~~78-79~~ were developed under the City's inclusionary program and 5 under the City's accessory dwelling unit and infill programs.

PROGRAMS

Encinitas will implement a variety of programs to achieve the City's housing goals, including:

- Density Bonus
- Inclusionary Housing
- Neighborhood Revitalization Opportunities
- Affordable Housing Overlay Zone
- Smart Growth and/or Mixed Use Development Opportunities
- Federal and State Financing
- Mixed Use Development
- Financing

These programs provide a range of activities that the City will undertake to promote the provision of housing opportunities to serve all income levels.

INTRODUCTION

CITY PROFILE

Located along six miles of Pacific coastline in northern San Diego County, Encinitas is characterized by coastal beaches, cliffs, flat-topped coastal areas, steep mesa bluffs, and rolling hills. The City, which has a population over 60,000, includes the communities of New Encinitas, Old Encinitas, Cardiff-by-the-Sea, Olivenhain, and Leucadia. Incorporated in 1986, Encinitas is one of the newest cities in the San Diego region. The City covers over 19 square miles in the North County coastal area of the San Diego region.

Approximately 70% of all the flowering poinsettias in the U.S. and more than 50% worldwide get their start at the Paul Ecke Ranch in Encinitas. Known historically as the “Flower Growing Capital of the World,” Encinitas also boasts the Quail Botanical Gardens, a beautiful oasis, with an Amazon Rainforest and the largest display of bamboo in the world, and the gardens of the Self Realization Fellowship which sits overlooking the ocean in a serene garden-like setting.

Downtown 101, the historic heart of Old Encinitas is a coastal business district that dates back 100 years featuring historic architecture, quaint shops, sidewalk cafes, and restaurants. New Encinitas centers on El Camino Real, which was founded by the early Spanish missionaries. Cardiff-by-the-Sea is made up of quaint homes dotting the hillsides overlooking the Pacific Ocean. Leucadia is famous for its giant eucalyptus trees that line the main thoroughfare on the Coast Highway 101. Olivenhain boasts plenty of open horse country, pastures, and a rural way of life.

While the beaches in Encinitas are outstanding, the surfing also is world renown, and many surf contests are held throughout the year in Encinitas. The San Elijo Lagoon Reserve is the largest coastal wetland in San Diego County and is home to nearly 300 different bird species throughout the year.

The natural beauty of its communities, along with temperatures between 40 and 85 degrees year-round make Encinitas a highly desirable place to live.

HOUSING ELEMENT

The Housing Element is an important planning tool for the City of Encinitas. It identifies the housing needs of the City and recommends ways to meet these needs while balancing other community objectives and resources. [The Housing Element for the City of Encinitas is a required element of the City's General Plan. It covers the time period of July 1, 2005 to June 30, 2010. The time frame for the housing elements in the San Diego region was extended as a result of changes in the State law. The submittal date for this round of revisions was extended from July 1, 2004 to July 1, 2005. Thus, the Program Evaluation in the 2005-2010 Housing Element covered the time frame from July 1, 1999 to July 1, 2005. The revised element responds to the latest State requirements and was reviewed by the State Department of Housing and Community Development for compliance with state law.](#)

Table 2 (cont'd)

Required Housing Element Component	Page
1. Analysis of existing and potential non-governmental constraints upon the maintenance, improvement, or development of housing for all income levels	138
2. Analysis of special housing needs including those of handicapped, elderly, large families, single-parent households, farm workers	55
3. Analysis of the needs of homeless individuals and families in Encinitas	56
4. Analysis of opportunities for energy conservation with respect to residential development	117
B. Goals and Policies	
1. Identification of Encinitas' goals and policies relative to the maintenance, improvement, and development of housing.	143
C. Implementation Program	
1. Identify adequate sites which will be made available through appropriate action with required public services and facilities for a variety of housing types for all income levels.	98
2. Programs to assist in the development of adequate housing to meet the needs of low- and moderate- income households and other special needs groups.	149
3. Identify, and, when appropriate and possible, remove governmental constraints to the maintenance, improvement, and development of housing in Encinitas.	155
4. Conserve and improve the condition of the existing and affordable housing stock in Encinitas.	145

RELATIONSHIP TO OTHER GENERAL PLAN CONSISTENCY ELEMENTS

The City of Encinitas' General Plan contains goals and policies for urban development, community design, housing, natural hazards, economic development, and public services and facilities. The content of this Housing Element is consistent with the goals and policies of all elements of the General Plan.

The Land Use Element sets forth the amount and type of residential development permitted under the General Plan, thereby affecting housing opportunity in Encinitas. In addition, the Land Use Element contains policies directed at maintaining the existing housing stock, as well as ensuring the quality of new residential development. The Circulation Element contains policies to minimize roadway traffic into residential neighborhoods and the Noise Element sets forth policies to minimize the level of noise in neighborhoods. The Resource Management Element establishes development standards to minimize the impact of residential development on sensitive resources, such as hillside areas, ecological habitat, and scenic view sheds. Finally, the Public Safety Element sets forth policies to ensure the safety of the City's housing stock through such measures as code enforcement, and mitigation of environmental hazard as a condition to development.

The content of this Housing Element is consistent with, and supported by, the goals and policies of all

Elements of the General Plan. -Table 3 below identifies the other General Plan Elements that support the major goals addressed in the Housing Element. Through the City's annual General Plan implementation review process, the City will ensure internal consistency among the various elements of the General Plan. Implementation of some programs identified in the Housing Element may require an amendment to other Elements of the General Plan to ensure internal consistency. -For example, creation of an Affordable Housing Overlay Zone (Program 2A) will require an amendment to the Land Use Element and Policy Map. Such amendments will be carried out concurrently with program implementation in order to maintain consistency with the General Plan.

**Table 2
HOUSING POLICY MATRIX**

Issue Area	Land Use	Circulation	Noise	Resource Mgmt	Public Safety
Addressing Future Needs	X	X		X	X
Enhancing Fair Housing Opportunities	X				X
Ensuring Housing & Neighborhood Quality	X	X	X	X	X
Encouraging Affordable Housing Development	X	X			

PUBLIC PARTICIPATION

The Encinitas City Council directed the City Manager to form an ad hoc advisory committee to help guide the Housing Element update. The Housing Element Advisory Committee (HEAC) – composed of 18 members representing a cross-section of community interests including social service providers, community and business groups, the real estate and building industries, policymakers, and affordable housing developers – conducted four public workshops to review the contents of the Housing Element and encourage participation in its revision. Each workshop was attended by an additional 12-20 or so members of the public.

The workshops were designed to solicit input from the HEAC and public at key phases of the Housing Element’s development. For example, during the third workshop, Phase 2 was presented in an initial draft form, discussed, and sent out for more detailed review and comment. At the same time, revised portions of the Element presented in the previous workshop were brought back for final review.

The City posted public notices at City Hall and on the City’s web site, advertised in the local newspaper, and held the meetings at City hall during the evening in order to use a thorough noticing process and to provide the opportunity for as many residents as possible to participate. Comments received at the workshops and public hearings have been considered and incorporated into the updated plan where appropriate.

The City also held two noticed public hearings each before the City Council and Planning Commission: one for authorization of the submittal of the Administrative Draft and another for the approval of the

adopted Housing Element. [The Planning Commission reviewed the draft Housing Element on October 20, 2005 and October 12, 2006. The City Council conducted hearings on November 9 and December 12, 2005, and on November 29, 2006 to adopt the final Housing Element update.](#)

The California Environmental Quality Act (CEQA) requires environmental review on many government activities including the development of programs and plans that may have an effect on the environment. Concurrent with the development of the update to the Housing Element, an environmental Initial Study was conducted in accordance with the provisions of CEQA, which concluded that adoption of the revised plan would [not result in](#) significant impacts to the environment. A Notice of Negative Declaration was circulated for a 30-day public comment period ([October 13, 2006 to November 13, 2006](#)).

SOURCES OF INFORMATION

The Draft Regional Housing Needs Statement produced by the San Diego Association of Governments (SANDAG) in 2004 provided the majority of the background material for the preparation of the Housing Element. This document includes data from the 2000 Census, SANDAG's 2004 Estimates, SANDAG's 2030 Regionwide Forecast, San Diego Fair Housing Resources Board, San Diego County Assessor's Office, San Diego County Department of Housing and Community Development, SANDICOR, the City of Encinitas Planning Department, the San Diego Apartment Association, and input from all public workshops, among other sources. [More current sources of information were used to bring the Element to a 2006 based document wherever such information was available \(e.g. much of the housing market and local land use and regulatory analysis\).](#)

Program 1C: Agricultural Worker Housing

Program Description

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

Program Accomplishments

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

Program Evaluation

~~The City's current zoning ordinance requires agricultural worker housing requires a minor use permit, which is inconsistent with state law prohibiting cities from imposing conditional use permit requirements for housing of six or fewer such employees. A program is included in this Housing Element to amend the zoning ordinance to comply with state law. The City should continue to apply the existing zoning and development standards for agricultural housing. However, since greenhouse and agricultural operations are increasingly being converted to residential land uses, there is no identified need to expand or significantly alter the City's policies with respect to agricultural housing.~~

Program 1D: Mobile Home/Trailer Parks

Program Description

The City proposed to continue to apply zoning provisions that allowed the development of new mobile home/trailer parks and that recognize and allow the expansion of existing parks. The City will maintain the exclusive mobile home park zone (MHP), where appropriate, and will continue to provide for parks as an option under other zones.

Program Accomplishments

The City did not receive any applications to expand mobile home parks or to rezone parks to the MHP zone.

Program Evaluation

Mobile homes continue to be the most affordable homeownership option, but space rents in several parks have doubled. The City should examine policy options to keep mobile home units and parks affordable.

HUD are that federal support for Section 8 will not be expanded and that program retrenchment is likely over the next four years.

1999-2004 Program 7: HOME Housing Vouchers Program

Program Description

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

Program Accomplishments

The City initially had allocated \$270,000 for vouchers and expended about 50% of the funding. Initially, the City provided housing vouchers to homeless families who were living in transitional housing (and who were victims of domestic violence). But after a year of operation, the program was broadened to allow tenants on the Section 8 waiting list to utilize the program.

Program Evaluation

This program is continued in the 2005-2010 Housing Element until previously allocated funds are exhausted. Continued funding may be assessed as the Housing Element cycle progresses. However, the City will emphasize directing HOME funding on new housing development.

QUALITY OF HOUSING

1999-2004 Program 8: Equal Opportunity Housing Marketing/ Fair Housing

Program Description

The City proposed to continue to require that, as a condition of approval of any new housing development, units be marketed and sold according to procedures designed to promote equal housing opportunities. The City also proposed to continue to contract a non-profit fair housing organization to provide outreach, counseling, education, and assistance regarding fair housing issues.

Program Accomplishments

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

Special Needs Groups

(p. H-47/48)

The following special needs groups have a significant impact upon the demand for housing. Often these groups “compete” for the same housing due to the lack of affordable housing. Identifying special needs groups is necessary to fully assess Encinitas’ housing needs and to meet Housing Element requirements. The special needs groups analyzed include the elderly, people with disabilities, homeless people, single parents, farm workers, large households, and students. Many of these groups overlap, for example many farm workers are homeless, and many elderly people have a disability of some type. The majority of these special needs groups would be assisted by an increase in affordable housing, especially housing located near public transportation and services.

Elderly

The limited income of many elderly persons often makes it difficult for them to find affordable housing. In the San Diego region, the elderly spend a higher percentage of their income for food, housing, medical care, and personal care than non-elderly families. Many single elderly persons need some form of housing assistance. In 2000, 7 percent of the San Diego region’s residents aged 65 and over were living in poverty.

Table 9 shows that 6,459 persons were age 65 and over in Encinitas. This accounts for about 10 percent of residents, slightly lower than that in the region as a whole. Encinitas had the lowest percentage of elderly persons in the North County Coastal area although its population is aging faster than the region as a whole.

Table 9
PERSONS AGE 65 AND OVER
North County Coastal Cities and San Diego Region, 2004

Jurisdiction	Total	Age 65+	Percent Age 65+
Carlsbad	92,995	12,476	13.4%
Del Mar	4,555	781	17.1%
Encinitas	62,586	6,459	10.3%
Oceanside	173,307	21,938	12.7%
Solana Beach	13,431	2,186	16.3%
San Diego Region	3,017,204	328,534	10.9%

[Source: 2000 Census](#)

Table 10 [shows elderly households broken down by tenure and income level. A higher proportion of elderly renter-occupied households have housing problems \(67.8%\) than all renter-occupied households \(47.7%\). Housing problems are defined as cost burden greater than 30 percent of income and/or overcrowding and/or without complete kitchen or plumbing facilities. Additionally, 66 percent of elderly renter-occupied households pay more than 30 percent of their income for housing compared with 40 percent of all renter households. Elderly owner-occupied households, on the other hand, tend to be better off than all households as a group. Less than a third \(29.9%\) have any housing problem compared with 34](#)

percent of all owner-occupied households. Likewise, less than a third (29.9%) pay more than 30 percent of their income towards housing versus 33 percent of all owner-occupied households.

Table 10
ELDERLY HOUSEHOLDS BY TENURE AND INCOME LEVEL
Encinitas, 2000

Household by Type, Income, & Housing Problem	<u>Renters</u>		<u>Owners</u>		Total Households
	Elderly Renters	Total Renters	Elderly Owners	Total Owners	
Household Income <= 50% MFI	398	1,643	689	1,400	3,043
Household Income <=30% MFI	184	782	305	644	1,426
% with any housing problems	84.2	79.7	70.5	81.5	80.5
% Cost Burden >30%	78.8	77.1	70.5	81.5	79.1
% Cost Burden >50%	78.8	73.3	44.3	66.0	70.0
Household Income >30 to <=50% MFI	214	861	384	756	1,617
% with any housing problems	98.1	92.1	67.7	74.3	83.8
% Cost Burden >30%	98.1	90.9	67.7	72.5	82.3
% Cost Burden >50%	79.4	64.3	49.5	54.8	59.9
Household Income >50 to <=80% MFI	245	1,636	535	1,347	2,983
% with any housing problems	75.5	81.4	29	56.9	70.4
% Cost Burden >30%	75.5	71.0	29.0	55.2	63.9
% Cost Burden >50%	22.4	23.8	15.0	34.8	28.8
Household Income >80% MFI	329	4,893	1,915	11,915	16,808
% with any housing problems	33.1	23.6	16.2	26.6	25.7
% Cost Burden >30%	30.1	15.3	16.2	25.0	22.2
% Cost Burden >50%	4.6	1.1	6.0	6.4	4.8
Total Households	972	8,172	3,139	14,662	22,834
% with any housing problems	67.8	47.7	29.9	34.3	39.1
% Cost Burden >30	65.7	40.3	29.9	32.7	35.4
% Cost Burden >50	39.6	19.2	16.6	14.1	15.9

Source: U.S. Department of Housing and the U.S. Census Bureau. Census 2000: Comprehensive Housing Affordability Strategy (CHAS) Data. Compiled by SourcePoint. August 2005.

Any housing problems: cost burden greater than 30% of income and/or overcrowding and/or without complete kitchen or plumbing facilities.

Other housing problems: overcrowding (1.01 or more persons per room) and/or without complete kitchen or plumbing facilities.

Elderly households: 1 or 2 person household, either person 62 years old or older.

Large Households

Large households are identified as a group with special housing needs because of the limited availability of adequately sized, affordable housing units. Large households often have lower incomes and frequently live in overcrowded smaller dwelling units, which can result in accelerated unit deterioration. [Table 3](#) compares the number of large households in Encinitas to that in the region as a whole. In 2000, 9 percent of households in Encinitas consisted of five or more persons, compared to 14 percent region wide.

**Table 3
LARGE HOUSEHOLDS
Encinitas and San Diego Region, 2000**

Jurisdiction	Persons in Household			Total Households
	5	6	7+	
Encinitas	1,201	346	386	22,830
Percent of Total	5.3%	1.5%	1.7%	100.0%
San Diego Region	72,696	32,432	28,464	994,677
Percent of Total	7.3%	3.3%	2.9%	100.0%

Source: 2000 Census

As noted above, approximately nine percent of households in Encinitas are large households (5 or more persons). As shown in Table , a greater percentage of larger households have any housing problems (61.2%) than all households (39.1%). Any housing problems can be defined as cost burden greater than 30% of income and/or overcrowding and/or without complete kitchen or plumbing facilities. Renter-occupied large households (as a group) tend to have more housing problems than owner-occupied large households. The majority of renter-occupied large households (87.6%) have any housing problems, while about half of the larger owner-occupied households (47.3%) have any housing problems. In both cases, it is a higher percentage than all renter-occupied and owner-occupied households with any housing problems, 48 percent and 34 percent, respectively.

Table 16
LARGE HOUSEHOLDS BY TENURE AND INCOME LEVEL
Encinitas, 2004

<u>Household by Type, Income, & Housing Problem</u>	<u>Renters</u>		<u>Owners</u>		<u>Total Households</u>
	<u>Large Related (5 or more members)</u>	<u>Total Renters</u>	<u>Large Related (5 or more members)</u>	<u>Total Owners</u>	
<u>Household Income <= 50% MFI</u>	170	1,643	50	1,400	3,043
<u>Household Income <=30% MFI</u>	100	782	40	644	1,426
<u>% with any housing problems</u>	100.0	79.7	100.0	81.5	80.5
<u>% Cost Burden >30%</u>	90.0	77.1	100.0	81.5	79.1
<u>% Cost Burden >50%</u>	70.0	73.3	75.0	66.0	70.0
<u>Household Income >30 to <=50% MFI</u>	70	861	10	756	1,617
<u>% with any housing problems</u>	100.0	92.1	100.0	74.3	83.8
<u>% Cost Burden >30%</u>	100.0	90.9	100.0	72.5	82.3
<u>% Cost Burden >50%</u>	35.7	64.3	100.0	54.8	59.9
<u>Household Income >50 to <=80% MFI</u>	182	1,636	135	1,347	2,983
<u>% with any housing problems</u>	86.8	81.4	63.0	56.9	70.4
<u>% Cost Burden >30%</u>	20.9	71.0	48.1	55.2	63.9
<u>% Cost Burden >50%</u>	0.0	23.8	33.3	34.8	28.8
<u>Household Income >80% MFI</u>	285	4,893	1,020	11,915	16,808
<u>% with any housing problems</u>	80.7	23.6	42.6	26.6	25.7
<u>% Cost Burden >30%</u>	14.0	15.3	30.4	25.0	22.2
<u>% Cost Burden >50%</u>	0.0	1.1	7.4	6.4	4.8
<u>Total Households</u>	637	8,172	1,205	14,662	22,834
<u>% with any housing problems</u>	87.6	47.7	47.3	34.3	39.1
<u>% Cost Burden >30</u>	37.4	40.3	35.3	32.7	35.4
<u>% Cost Burden >50</u>	14.9	19.2	13.3	14.1	15.9

Source: U.S. Department of Housing and the U.S. Census Bureau. Census 2000: Comprehensive Housing Affordability Strategy (CHAS) Data. Compiled by SourcePoint. August 2005.

Note: Totals may not match other Census 2000 products due to rounding.

Any housing problems: cost burden greater than 30% of income and/or overcrowding and/or without complete kitchen or plumbing facilities.

Students

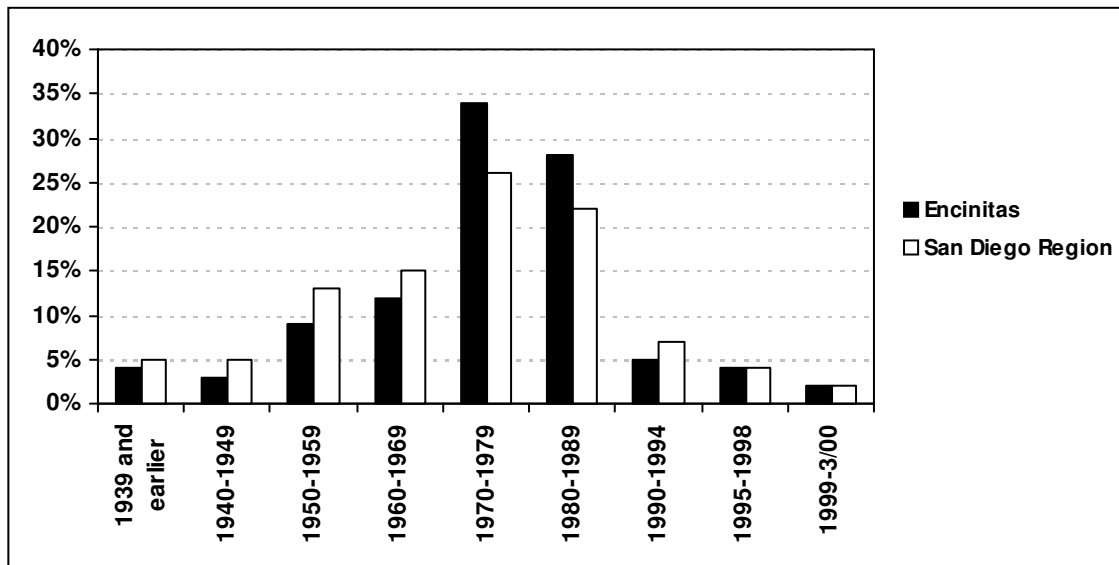
The need for student housing is another significant factor affecting housing demand. Although students may produce only a temporary housing need (but the need is ongoing as long as the educational institution is in session), the impact upon housing demand is critical in areas that surround universities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

Housing Age

(p. H-67/69)

Age of housing is an important characteristic because it is often an indicator of housing condition. Many federal and state programs use age of housing as one factor to determine housing needs and the availability of funds for housing and/or community development. Figure 1 on the following page shows that the majority (62 percent) of the housing units in Encinitas was built between 1970 and 1989. Only small percentages of housing were built either before 1950 or after 1989.

Figure 1
YEAR HOUSING BUILT
Encinitas and San Diego Region, 2000



Source: SANDAG, constructed from 2000 Census

Housing Condition

Housing that is not maintained can discourage reinvestment, depress neighboring property values, and can negatively impact the quality of life in a neighborhood. Improving housing is an important goal of the City. A city can estimate the number of substandard housing units within its jurisdiction using a number of sources of information-. For purposes of this Housing Element, the City relied on a combination of windshield surveys, discussions with building and code enforcement staff, and census data in assessing substandard housing.

Windshield Surveys

The City of Encinitas- staff conducted a windshield survey in the Spring of 2006 to identify areas that exhibit signs of deterioration and need for improvement. The purpose of the survey was not to list specific addresses and neighborhoods that are deteriorated, but to develop a qualitative impression of the condition of housing within the City's neighborhoods. The windshield survey focused on the older parts of the City for evidence of exterior deterioration. The survey did not attempt to assess the interior condition of these units, nor identify structures that may not comply with current building codes. In general most of the neighborhoods are well maintained with only isolated instances of deterioration in evidence.

Census Data

Data that could be used to indicate substandard housing includes the number of units lacking plumbing facilities, the number of homes that lack kitchen facilities, the lack of heating, the value of residential units, and the percentage of units built before 1940 (although these do not always indicate substandard conditions). The primary source of information about the number of substandard units within a jurisdiction is the 2000 U.S. Census.

~~Housing condition, or more specifically housing that has been identified as substandard, is an indicator of housing need. Substandard housing units include those in need of repair and those in need of replacement. Two types of data that could be used to indicate substandard housing are the number of units lacking plumbing facilities and the percentage of units built before 1940 (although these do not always indicate substandard conditions). The primary source of information about the number of substandard units within a jurisdiction is the U.S. Census.~~

Plumbing Facilities

Encinitas did not have a significant amount of substandard housing when considering such factors as available plumbing facilities and housing age. At the time of the 2000 Census, 848 units in Encinitas lacked plumbing facilities,¹ representing 0.4 percent of total housing units in the City. Regionwide, 0.7 percent of housing units lacked plumbing facilities.

Lack of Heating

The lack of heating in a home is another potential indicator of substandard housing, although in such a mild climate as Encinitas', such an indicator may not as significant as in colder climates. According to the 2000 Census, approximately 266 homes, or 1.2% of homes, lacked heating fuel.

Value of Housing

The value of housing is another potential indicator of housing stock condition. In 2000, the median housing cost in Encinitas was \$353,300. Those units below \$50,000 in value can be assumed to have significant deterioration. According to Census 2000 data, 28 units, or 0.2% of the housing stock, were valued at less than \$50,000.

¹ *Source: 2000 Census*

Pre-1940 Housing

The U.S. Department of Housing and Urban Development (HUD) may consider units substandard if they were built before 1940 and have a value less than \$35,000. ~~Table 23~~ **Table 4** shows that 835 units in Encinitas were built before 1940, 3.5 percent of the total housing in the City. Regionwide, 5 percent of units were built before 1940.

Table ~~23~~Table 4
HOUSING BUILT BEFORE 1940
North County Coastal Cities and San Diego Region, 2000

Jurisdiction	Units Built Before 1940	Total Units	Percent of Total Units
Carlsbad	554	33,798	1.6%
Del Mar	124	2,557	4.8%
Encinitas	835	23,843	3.5%
Oceanside	1,195	59,581	2.0%
Solana Beach	229	6,456	3.5%
San Diego Region	53,289	1,040,149	5.1%

Source: SANDAG, constructed from 2000 Census

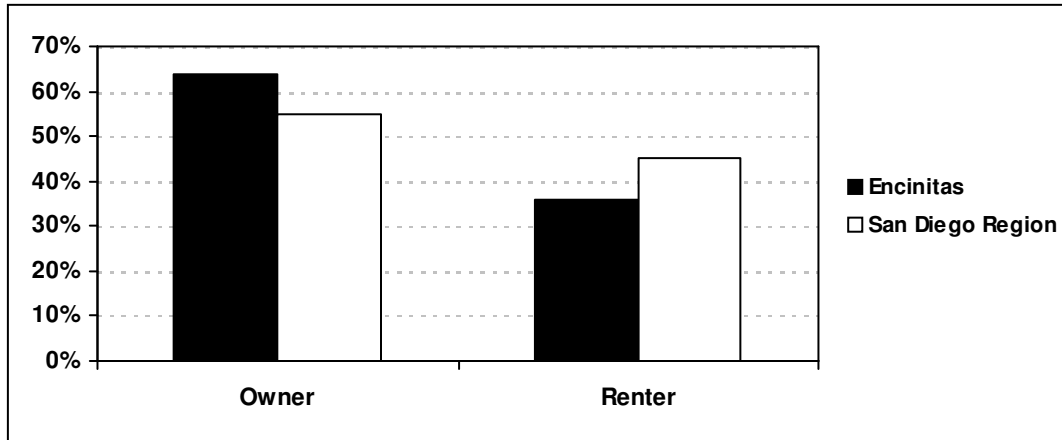
Substandard Housing

Of course, the information presented above only can give indirect indication of housing conditions. Obviously the City has a minimal number of units in need of repair and/or rehabilitation, especially given the high percent of units that have been recently constructed. Based upon a combination of previous "windshield surveys", observations and experiences of the code enforcement and planning staff, and indicators from other surveys, the City has estimated that approximately 50-100 units would fall into this category, although most, if not all, meet minimum housing and building code requirements. These numbers, and the need to upgrade units that were not necessarily substandard, drove the Quantified Objectives portion of the Housing Element and are used as part of the numerical objectives for the Housing Rehabilitation Program.

Housing Tenure

Tenure is an important market characteristic because it is directly related to housing types and turnover rates. Figure 15 shows that in 2000, of the 22,607 occupied units in the City, 14,433 units were owner occupied and 8,174 units were renter occupied. Thus, the majority (64 percent) of homes in Encinitas were owner occupied. This homeownership rate was 9 percent higher than the regional rate of 55 percent. This high rate of ownership can be partially attributed to the higher median income in the City.

Figure 15
TENURE
Encinitas and San Diego Region, 2000



Source: 2000 Census

Table below breaks out overcrowded units by tenure. Renter-occupied housing units have a higher percentage of overcrowded units than owner-occupied, with 9 percent versus two percent, respectively.

Table 31
OVERCROWDED HOUSING UNITS BY TENURE
Encinitas, 2000

Occupants per Room	Owner occupied		Renter occupied		Total	
	HHs	%	HHs	%	HHs	%
1.00 or less	14,380	97.8%	7,499	90.7%	21,879	95.3%
Overcrowded (1.01+/room)	321	2.2%	770	9.3%	1,091	4.7%
Total	14,701	100.0%	8,269	100.0%	22,970	100.0%

Source: U.S. Census Bureau. Census 2000. Advanced Query Tabulation. Compiled by SANDAG. September 2006.

Note: Totals may not match other Census 2000 Tabulations.

Overpayment

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

Table 32 shows that in 2000, 21 percent of households in the San Diego region were paying over 30 percent of their income towards housing costs. In Encinitas, 35.5 percent of all households were overpaying. Renters were more likely to overpay than owners; in Encinitas 41.5 percent of renters overpaid, compared to 32.2 percent of owners.

Table 32
HOUSEHOLDS PAYING MORE THAN 30% OF INCOME FOR HOUSING COSTS
North County Coastal Cities and San Diego Region, 2000

	Renters						Owners		
	Total	Paying 30%+	% Paying 30%+	Total	Paying 30%+	% Paying 30%+	Total	Paying 30%+	% Paying 30%+
Carlsbad	31,521	10,480	33.2%	10,280	4,187	40.7%	21,241	6,293	29.6%
Del Mar	2,178	740	34.0%	964	327	33.9%	1,214	413	34.0%
Encinitas	22,830	8,112	35.5%	8,178	3,394	41.5%	14,652	4,718	32.2%
Oceanside	56,488	20,563	36.4%	21,426	9,887	46.1%	35,062	10,676	30.4%
Solana Beach	5,754	1,776	30.9%	2,139	844	39.5%	3,615	932	25.8%
San Diego Region	994,677	211,236	21.2%	443,216	101,777	23.0%	551,461	109,459	19.8%

Households do not equal total presented in other tables because housing costs were not computed for all households.

Source: SANDAG, constructed from 2000 Census

available to jurisdictions that could meet "Alternative 3" goals, a greater proportionality of the total need to very low and lower income groups. Table 34 shows Encinitas' regional share goal and the income distribution of the goal for those two alternatives. Encinitas' regional share is 1,712 new units, which accounts for 1.6 percent of the region's projected housing need (107,301 units). This is an increase of 128 units over the 1999-2004 allocation. Since the regional housing need figure from the State covers a 7 ½ year period due to its projection methodology, Encinitas can reduce that number by subtracting new construction from January 2003 to July 2005.

Table 34
REGIONAL SHARE NEEDS
Encinitas, 2005-2010

Income Category	SANDAG Regional Share Needs 1/1/03 to 6/30/10	Units Constructed 1/1/03 to 6/30/05	Balance of Regional Share 7/1/05 to 6/30/10
Very Low	392 to 502	6465	328-327 to 438-437
Low	299 to 373	19	280 to 354
Moderate	324	0	324
Above Moderate	697 to 513	686	11-12 to 0
Total	1,712	769	943

The City produced a total of 769 units from January 1, 2003 to June 30, 2005 and demolished 42 units. The regional share would, therefore, be reduced to ~~985-943~~ total units. -Of these newly constructed units, ~~64-65~~ were very lower income units; 19 units were low income units; 0 units were moderate income units; and 686 were above moderate income units. Thus, the City's remaining regional share for the 2005 to 2010 time frame would be ~~328-327~~ to ~~438-437~~ for very low income units, 280-354 low income units, 324 moderate units, and 0 above moderate income units.

Of the affordable units, ~~78-79~~ were developed under the City's Inclusionary Program and 5 under the City's Accessory Dwelling Unit and Infill programs.

Capacity to Meet Regional Share Goals

Table 35 below shows the densities at which several affordable housing developments in Encinitas have been developed. As shown, units affordable to very low and low income households have been developed in zones ranging from R3 to R25. All housing that is guaranteed affordable to very low and low income households in the San Diego region requires some form of subsidy.

Table 35
DENSITIES OF AFFORDABLE HOUSING DEVELOPMENTS
Encinitas, 2005

Development	Income Category	Zone	Max Density
Regal Road Apartments	Very Low Income	R11	11 du/ac
Mercy Housing	Very Low Income, Senior	ER-MU1 25	25 du/ac
Poinsettia Ridge	Low Income	ER-MU1Mixed Use	25 du/ac
DR Horton	Low Income, For-Sale	ER-MU2 R25	20 du/ac
Habitat For Humanity	Low Income, For-Sale	R3 and R5	5 du/ac
Second Street	Low Income	D-CM-2Mixed-Use	25 du/ac

Sites with densities in the 8-15 dwelling unit per acre range can, and will, continue to provide housing opportunities for moderate income households. Above moderate income housing can be developed at any density. For this analysis, sites with densities of 5 dwelling units per acre or less were counted toward meeting this need, as they are likely too low density to support development at lower and moderate income levels.

In total, the City has the capacity for an additional 2,569 units of housing – substantially higher than the City’s remaining regional share need of 985 units. Of the 1,240 acres of land available for residential development, about 72 acres can be developed at densities high enough to support the construction of well over the 608 to 792 very low and low income housing units required by the regional share. Although these units fall at densities below the HCD guidelines for density ranges that would provide for lower income housing (30 units/acre), the City has demonstrated that it has had projects that fall within that density range that are affordable to lower income households (see Table 33). About 61 acres can be developed at densities high enough to support the construction of 407 moderate income housing units. The remaining 1,107 acres can be developed at densities more suitable to above moderate income housing.

Error! Reference source not found. shows that based upon its planned densities, the City has the capacity to meet its regional share goals for all income levels. However, much of that capacity is tied to densities at the 15-25 units per acre category and the ability of the City to generate affordable units as part of the mixed use development. Furthermore, the majority of available sites in the 15-25 units per acre density range are relatively small (2 acres or less). Given the potential for these two factors to impact the City’s ability to meet its regional share objectives, the City has added a program, the Affordable Housing Overlay Zone (Program 2A), as a mechanism to offset these potential limitations. This program will identify sites where an affordable housing overlay could be applied and enable densities that would support affordable housing. Based on the affordable housing projects completed during the 1999-2004 Housing Element cycle, sites with densities in the 15-25 dwelling unit per acre range can, and will, continue to provide housing opportunities for very low and low income households.

Table 36
CAPACITY TO MEET REGIONAL SHARE GOALS
Encinitas, 2005

Income Category	Units Needed	Appropriate Density	Available Acres	Unit Potential
Very Low and Low Income	608 to 792	15 -25 du/acre	72	<u>937897</u>
Moderate	324	8 - 15 du/acre	61	407
Above Moderate	-173 to +11	.1 - 8 du/acre	1,107	1,225
Total	<u>1,712943</u>	—	1,403	<u>2,569529</u>

Source: SANDAG, Regional Housing Needs Statement, 2005, SANDAG 2030 Forecast (2005 Inputs) and the City's GIS land inventory.

The City's overall housing unit capacity is based on vacant residential land capacity, infill and redevelopment land capacity (including mixed-use development). Each of these categories is described in greater detail below and in the "Constraints to the Provision of Housing" section of this Element. All sites included in the land inventory were reviewed with the standards from AB 2348 as part of the analysis:

1. Environmental Constraints: The inventory takes into account any environmental constraints (habitat, flood and noise hazards, steep slopes, and other constraints) through the SANDAG regional land use inventory which, its GIS layers that eliminates or limits unit yield of sites if they are environmentally constrained lands. The City's, and the City's site by site analysis further refines the inventory using its own GIS land inventory processes. Thus, any environmental constraints that would lower the potential yield (e. g., steep slopes) have already been accounted for in the site/unit analysis through both screening processes. The constraints analysis section of the Housing Element (see "Environmental Constraints") provides a general analysis of known environmental constraints within the City that could have some impact on the sites identified in the housing inventory.

- Existing and Planned Infrastructure Capacity: With the exception of a few isolated parcels in Leucadia, all vacant and/or developable lots either have access to full urban services, including water and wastewater infrastructure, or have policies that require future development to connect the vacant and/or developable lots to existing infrastructure.

The San Dieguito Water District (SDWD) and the Olivenhain Municipal Water District (OMWD) are the two principal suppliers of water to Encinitas. As SDWD reaches its projected build-out, the District has planned several projects to improve local water supply, reliability, storage, and water quality. The District plans to increase local supply capacities by 11.4% to meet projected demand. According to SDWD, the 2,096 housing units that are projected to be built during this Housing Element period in the next five years will be adequately served. Likewise, infrastructure forecasts for the OMWD indicate that the District's supply will exceed projected demands for 433 housing units during the next five years.

Sewer service in Encinitas is provided by both the Encinitas/Cardiff Sanitation Districts (ECSD) and the Leucadia County Wastewater District (LCWD). ECSD's service capacity already exceeds the ultimate demand for its services when the District reaches build-out. Thus, the 1,659 housing units that are projected to be built in the District by 2010 will be adequately served. Like the ECSD, the LCWD already exceeds capacity for an ultimate build-out scenario of its area. Again, the District's 870 projected housing units will be adequately served for water treatment. Note that a small portion of Leucadia is not planned for sewer service. By General Plan policy, future residential development on these sites is limited to one dwelling unit per acre.

~~Full urban level services are available throughout the City and specifically to each site in the inventory. Such services are (or will be) in place prior to development and adequate for the potential unit yield on each site. Specifically, water and sewer service are available to all parcels within the City, including each of the sites in this inventory.~~

- **Method used to Calculate Realistic Capacity:** Specific assumptions are identified for each category in the following analysis, basically density as applied to the specific site times the number of developable acres. The Land Use Element policies that may be perceived as potential constraints to affordable housing development include the method of calculating density (see Land Use 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 percent slope – (100% density); 25-40 percent (50% density); and 40 percent + - (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 has excellence in design and/or provides extraordinary community benefit.

In addition to taking into account to the city's slope-adjustment and mid-point density policies, other land use controls such as floor area ratio, lot coverage, height, development policies in areas without sewers, and so forth, were also considered in estimating realistic residential capacity. The "Constraints to the Provision of Housing" section of the Housing Element provides a detailed analysis of the effects of land use controls on the ability to achieve planned densities. The analysis documents that the City's land use controls are reasonable, do not constitute a constraint to housing, and will allow the housing capacity described in this section to be achieved.

- **Zoning Considered Appropriate to Encourage and Facilitate Housing for Lower-income Households:** Each category was considered on the underlying zoning category for its potential to encourage and facilitate housing for lower income housing. Table 35 above and the discussion of mixed-use zoning (below) demonstrate that the citywide maximum density of 25 dwelling units per acre can and does facilitate housing for lower income households. See the specific assumptions for each category in the following tables. See the specific assumptions for each category.

Vacant Residential Land

The City Encinitas has 719 acres of developable vacant residential land within its boundaries, with the capacity for 720 housing units, as shown in Table 37. ~~Table 34 on the following page.~~ The majority of this land is zoned for lower density residential development.

**Table 37
DEVELOPABLE ACRES OF VACANT RESIDENTIAL LAND
Encinitas, 2005**

Density Allowed (Du/Acre)	Appropriate Income Category	Net Developable Acres	Unit Potential
.1 - .5	Above Moderate	462.01	186
.5 - 1	Above Moderate	95.82	71
1.01 - 2	Above Moderate	92.34	138
2.01 - 3	Above Moderate	44.26	11094
3.01 - 5	Above Moderate	5.07	20
5.01 - 8	Above Moderate	8.90	57
8.01 - 11	Moderate	5.90	56
11.01 - 15	Moderate	1.40	18
15.01 - 25	Very Low and Low	3.11	64
Total		718.82	720704

Source: SANDAG 2030 Forecast, 2005 Inputs, and City GIS land inventory

Residential Infill, Reuse and Mixed Use Land

In addition to vacant land, the City has identified 455 acres of residential land that have the potential for infill development or reuse, as shown in the following tables. Infill areas are developed areas with the potential to intensify the existing land use, such as adding more single family units to a single family area through lot splits. Reuse areas are currently developed areas with the potential to change their land use based on current general plan/zoning designations, such as an existing single family development in an area where the plan allows multi-family densities. Properties used for agriculture but with underlying residential zoning are included in this category.

**Table 38
LAND WITH INFILL POTENTIAL
Encinitas, 2005**

Residential Infill and Re-use			
Density Range	Zone	Acres	Unit Potential*
.51-1.0	RR1	71	35
1.01-2.0	RR2	78	76
			283
2.01-3.0	R3	174	<u>259</u>
2.01-3.0	N-R3	4	7
3.01-5.0	R5	23	62
5.01-8.0	R8	37	121
5.01-8.0	N-R8	12	59
8.01-11.0	R11	36	173
8.01-11.0	D-R11	1	2
8.01-11.0	N-R11	1	8
11.01-15.0	R15	0	3
11.01-15.0	D-R15	6	46
11.01-15.0	N-R15	4	43
15.01-20.0	N-R20	5	58
15.01-25.0	D-R25	2	29
15.01-25.0	N-R25	1	9
	Totals	455	<u>1,014,990</u>

Mixed Use Development

Included within the overall infill capacity is the capacity for mixed use development. Mixed use development allows for the inclusion of secondary residential uses with development of primary commercial uses. Residential units tend to be above or to the rear of primary commercial uses. Typically, mixed use dwelling units are multi-family and can assist jurisdictions in meeting their regional share goals. Multi-family development is well-suited for affordable market rate housing and is usually located near commercial uses and transit infrastructure.

The San Diego Association of Governments recommends that jurisdictions plan additional land for multi-family homes using the “smart growth” recommendations in the Regional Comprehensive Plan (RCP) which recommends that jurisdictions place their highest densities within walking distance of transit stations, along bus corridors, and within traditional town centers; encourage mixed use development and mixed housing types; and incorporate residential uses within large employment areas.²

The City has reviewed its land use plans and zoning ordinance and has identified sites where additional new multi-family and mixed use developments could occur. The Downtown Encinitas and North 101 Corridor include provisions and incentives for mixed use and stand-alone residential development in commercial districts. The Downtown Encinitas and North 101 Corridor Specific Plans are located in transit corridors with a transit rail station serving Downtown Encinitas, making them ideal for mixed use multi-family development. Detailed descriptions of these plans, and the incentives they offer, are described in the following section (“Encouraging Mixed Use and Infill Development”).

Since the adoption of its Specific Plan mixed-use guidelines, five-nine mixed-use projects have been approved in Encinitas, three of them within the last eighteen months. Of these mixed-use developments, one included four new units for lower income households. A 120-unit apartment/mixed-use project was approved within the Encinitas Ranch Specific Plan Area, which includes 22 units for low and very low income households. There are three additional proposals currently under review.

The following tables show that 835 acres have been identified within the Downtown Encinitas and North 101 Corridor Specific Plans as having the potential for residential mixed use development. Of this, 521 acres are within the Downtown Encinitas Specific Plan and 314 acres are within the North 101 Corridor Specific Plan.

² Source: SANDAG, Regional Comprehensive Plan, adopted June 2005
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**Table 39
DOWNTOWN ENCINITAS AND
NORTH 101 CORRIDOR MIXED-USE REDEVELOPMENT
Encinitas, 2005**

Density Range	Zone	Acres	Unit Potential
15.01-25.0	D-CM1	21.9	295
15.01-25.0	D-CM2	11.62	190
11.01-15.0	D-OM	0.39	4
11.01-18.0	D-VCM	1.88	32
15.01-25.0	N-CM1	12.68	134
15.01-25.0	N-CM2	5.11	55
15.01-25.0	N-CM3	0.79	8
15.01-25.0	N-CRM1	8.76	95
11.01-15.0	N-CRM2	3.49	22
Total		66.62	835

**Table 40
LAND WITH MIXED USE POTENTIAL
Encinitas, 2005**

General Plan Code	Description	Mixed Use Type	Density Allowed (Du/Ac)
D-CM-1	Mixed use	Mixed use: Commercial with Residential	Approximately 25 du/acre. Limited to 50% of site's building floor area; floor area bonus for affordable housing
D-CM-2	Mixed use	Commercial with Residential (free-standing (single family or multi-family) or mixed use)	25 du/acre; Free-standing limited to 25% of the zone district's total lot acreage; <i>Mixed use</i> is limited to 50% of site's building floor area; floor area bonus for affordable housing
D-VCM	Mixed use	Mixed use: Visitor-serving commercial -with multi-family residential	18 du/ac and limited to 30% of the ground floor area and 50% of the site's building floor area.
D-OM Subtotal	Mixed use	Commercial with Residential (free-standing single family (detached or attached) (Duplex; Senior. or mixed use)	15 du/ac; mixed use limited to 50% of the ground floor area.
N-CM-1	Mixed use	Mixed use: Commercial with Residential	25 du/ac and limited to 50% of the site's building floor area.
N-CM-2	Mixed use	Mixed use: Commercial with Residential	25 du/ac and limited to 50% of the site's building floor area

N-CM-3	Mixed use	Mixed use: Commercial with Residential	25 du/ac and limited to 50% of the site's building floor area
N-CRM-1	Mixed use	Commercial with Residential (free-standing single family (detached or attached) or mixed use)	25 du/ac; mixed use limited to 50% of the site's building floor area
N-CRM-2	Mixed use	Commercial with Residential (free-standing single family (detached or attached) or mixed use)	15 du/ac; mixed use limited to 50% of the site's building floor area

Note: Mixed use development is also allowed in the ER-MUI zone of the Encinitas Ranch Specific Plan. This capacity is counted in Table 3537, "Vacant Residential Land."

Source: City of Encinitas, Downtown Encinitas Specific Plan, 1994; North 101 Specific Plan, 1997

The City has had increasing success with the recent development of mixed use residential development; the following table identifies the most recent level of activity including the number of units of "recently approved" and "currently under review" for mixed use residential development in the City. Since the late 1990's, nine mixed-use projects have been built or approved for construction, totaling 146 dwelling units. Of these mixed-use developments, one included 120 units, of which 22 are for very low and low income households. Another mixed use project created four new units for lower income households. The three current projects under review involve a total of 76 units; and both the increased volume and the higher number of units are more indicative of the capacity of mixed use residential development as outlined in the Housing Element. The specific plans recognize that existing and developed (non-vacant) properties will recycle over time incrementally. The mixed use policies of the Downtown Encinitas and North 101 Corridor Specific Plan areas will be able to accommodate the fair share housing needs of all income groups. Table 39 points out that approximately 35.79 acres in the Downtown Encinitas Specific Plan and 30.83 acres in the North 101 Corridor Specific Plan have the potential to yield 835 units. The table shows that of these units, 777 can be reserved for very low and low income, and 58 for moderate income households.

Interest in building mixed-use projects has increased significantly recently. The Planning Department staff report a noticeable number of inquiries from prospective buyers and developers about re-use opportunities in the coastal specific plan corridor. These activities indicate that the land use policies in the Downtown Encinitas and North Highway 101 Specific Plans, coupled with favorable market conditions, are providing effective and sufficient incentives for the recycling of these infill areas. **Table 41** The following table lists the recent mixed-use activity in the specific plan areas.

Table 41
Built Mixed-Use Projects
Encinitas

Built Mixed-Use Projects					
Address	Zoning	Year Built	Units	Approx. Density	Floor Area Ratio
<u>904/906 Second St</u>	<u>D-CM-2</u>	<u>1996</u>	<u>1</u>	<u>8.71</u>	<u>0.65</u>
<u>901 A&B Second St</u>	<u>D-CM-2</u>	<u>2001</u>	<u>2</u>	<u>5.80</u>	<u>0.13</u>
<u>848/854 Second St</u>	<u>D-CM-2</u>	<u>2000</u>	<u>4</u>	<u>30.27</u>	<u>0.65</u>
<u>550/580 Second St</u>	<u>D-CM-2</u>	<u>2002</u>	<u>2</u>	<u>3.46</u>	<u>0.63</u>
<u>1100 Garden View Rd</u>	<u>ER-MU1</u>	<u>2003</u>	<u>120</u>	<u>25.18</u>	<u>0.66</u>
<u>416/418 A&B Second St</u>	<u>D-CM-2</u>	<u>2004</u>	<u>2</u>	<u>17.41</u>	<u>0.55</u>
Recently approved - not built					
<u>1528 N. Coast Highway 101</u>	<u>N-CRM-1</u>		<u>9</u>	<u>16.67</u>	<u>0.68</u>
<u>N. Coast Highway 101 & Phoebe St</u>	<u>N-CRM-1</u>		<u>4</u>	<u>21.81</u>	<u>1.37</u>
<u>841-859 Second St</u>	<u>D-CM-2</u>		<u>2</u>	<u>5.81</u>	<u>0.65</u>
Under Review (as of Summer 2006)					
<u>70-90 N Coast Highway 101</u>	<u>N-CM-3</u>		<u>19</u>	<u>24.83</u>	<u>1.45</u>
<u>1108-1112 S. Coast Highway 101</u>	<u>D-CM-1</u>		<u>10</u>	<u>33.57</u>	<u>1.75</u>
<u>687 S. Coast Highway 101</u>	<u>D-CM-1</u>		<u>47</u>	<u>33.81</u>	<u>1.73</u>

It is worth noting that all but one of the built mixed-use projects listed in Table 41 were on small, non-vacant sites. All of the Second Street sites on the list and all but one of the sites on Coast Highway 101 are non-vacant sites. Recent development activity suggests that the Coast Highway 101 corridor has become an attractive area for infill development. Five active development projects will result in ninety units. These projects, as well as those recently built on Second Street, share a number of characteristics: the sites are relatively small (most less than one acre); the sites were previously or are currently occupied by older commercial structures; the specific plan zoning and development standards enabled more efficient utilization of the properties; **and** all the projects are close to the coast, making them desirable locations. Within the downtown business district most, if not all, infrastructure was available to the sites, reducing improvement costs. These characteristics are generally applicable to the other non-vacant sites in the land inventory, particularly in the Downtown and Coast Highway 101 corridor areas.

provides for the same development opportunities as the NCRM- 1 zone except that the maximum density is set at 15.0 dwelling units per net acre.

The purpose of this mixed use allowance is to recognize an appropriate "village residential" component along this activity corridor; to add neighborhood market support for commercial uses along the highway; to allow and encourage the "live-work" situations already characterizing this community; and to absorb excess development potential along the corridor which commercial-only zoning would not be able to fill. No regulations require mixed use units to be restricted so as to be affordable to lower income households. However, mixed use units generally are expected to be attached units with the size and development characteristics of condominium units. As such, it is expected that these mixed use units can be relatively affordable, market-based units available for home-ownership or rental. Note the parking and other incentives available, below, for guaranteed-affordable units.

Other Residential Development

Additional residential development potential is provided for under this specific plan. For the most part, these zones carry over residential density and development standards which were in place under previous zoning. In some instances residential densities were increased to more closely reflect the density of existing residential development and to provide for additional housing opportunities along Vulcan Avenue. Development also may take advantage of the various affordable housing incentives noted below.

Affordable Housing Provisions

Housing development is not mandated in the specific plan to be guaranteed affordable. Market forces are expected to apply such that much of the Plan's residential development potential can be affordable. As such, adoption of the specific plan helps address the obligation of the City to provide adequate sites for housing opportunities" for income categories of households with identified need.

Suitability of smaller sites

The previous discussion addresses the suitability and feasibility of non-vacant sites to meet the City's regional share goals. Promotion of these sites occurs largely through application of the incentives built into the North Highway 101 and Downtown Encinitas Specific Plans. As demonstrated above, the incentives are resulting in new residential development. It is important to note that such development is successfully occurring on small lots (less than one acre), without the need for a lot consolidation or land assembly program.

Vacant land available for residential development also is predominantly small sites of less than 5 acres, most of which have been used for greenhouses. The available land zoned for multi-family residential development (at 11 du per acres or higher) are in parcels of less than 2 acres. Residential development on smaller, vacant sites has not been a constraint. However, for affordable housing to be developed on these sites, the most economically feasible uses may be:

- 1) Mixed-income projects (density bonus and inclusionary housing) and/or
- 2) Homeownership units.

Developers of smaller sites are taking advantage of the State density bonus program, in which 5-10% of units developed in a market-rate development are set aside for lower income households. Developers are finding that the increased density, along with incentives such as a reduction in development standards and decreased parking requirements, are beneficial. The largest of the density bonus projects anticipated to be built during this planning period is the recently-approved Coral Cove, a 69-unit project on 7.8 acres. The project will include 12 affordable town homes –to be sold to lower income households at affordable prices and restricted for 55 years. Five other smaller density bonus projects are in the review process, each of which includes one to three affordable units.

Affordable housing developers have reported difficulty in finding suitable sites for multifamily rental housing development. In general, these developers need a site of at least 4 acres, zoned at 15 du per acre or higher. These developers define the threshold project size as 60-80 units in order to be competitive for tax credits, bond financing, and the State's multifamily housing program (MHP). Smaller projects are unable to successfully compete under the rating system unless they are supportive housing projects (permanent housing for persons with disabilities).

Implementation of the proposed Affordable Housing Overlay Zone (AHOZ- Program #-2A) potentially will make additional sites available. To be effective, the overlay zone must not only give affordable housing developers the ability to increase the density to an economically feasible level but also make it economically beneficial for land owners to sell the land at a better price to affordable developers rather than to market rate developers. In the current land market in the north county coastal region, in which the cost of land is still increasing, the City will have to carefully analyze the economic benefit of the increased density provided by the AHOZ to provide sufficient incentive to landowners.

While it is possible to create affordable homeownership opportunities through the density bonus and inclusionary housing programs, it is difficult to build new homes and make them affordable through the limited government financial resources available. The cost of building a new town home, including land, is in the range of \$400,000 to \$500,000, while an affordable sales price for a lower-income homebuyer is about \$120,000 to \$180,000. One way to narrow the gap to make low-income homeownership work is for a city to donate land to a project (as Encinitas did for a Habitat for Humanity project several years ago). However, the City has no such surplus land to donate at the present time and has limited resources to purchase land.

Agricultural worker housing can be developed on small sites on property zoned for agricultural use. One alternative is for the grower to purchase manufactured housing units. The cost of developing this housing may be only \$120,000 to \$150,000 per unit. The total development cost is greatly reduced because the land is already owned by the grower and manufactured housing lowers the construction costs. The City will encourage the provision of agricultural worker housing through implementation of Program 1C.

Additional Opportunities for Affordable Housing Development

Accessory Dwelling Units

The City allows for the development of either detached or attached accessory units on existing single family lots by right. Accessory units are another option for the provision of affordable housing for low and moderate income households without public subsidy while maintaining the general character of a single family neighborhood. Accessory units can provide housing for family members, students, the elderly, in-

home health care providers, persons with disabilities, and others, at below market prices within existing neighborhoods.

Since January 2003, 84 new accessory units have been constructed. Although the capacity for second dwelling units is difficult to determine, the City has over 17,700 single-family homes (Table 22). Many of these units are built on lots that are adequate to accommodate a second dwelling unit. Chapter 7 describes programs the City will implement to encourage and facilitate the development of accessory dwelling units. It is estimated that approximately 38 accessory units will be created during the 2005-2010 Housing Element cycle.

Availability of Public Services and Facilities

~~The City of Encinitas currently has adequate public services and facilities to serve all new residential development that may occur throughout the city. Additionally, fees are collected for new developments to be used for any new infrastructure that may be needed.~~

Opportunities for Siting Homeless Shelters and Transitional Housing

State law requires that cities identify sites that are adequately zoned for the placement of homeless shelters and transitional housing. Additionally, they must not unduly discourage or deter these uses. Currently, the City would classify a homeless shelter as an emergency residential shelter. Emergency residential shelters and transitional housing are defined in the City's zoning ordinance as follows:

Emergency Residential Shelter – Length of continuous stay is not to exceed 30 days for any household or individual in order to provide for immediate, basic shelter needs of the homeless and victims of sudden disaster.

Upon issuance of a Major Conditional Use Permit, emergency residential shelters are permitted in General Commercial zones. The City's North 101 Corridor and Downtown Specific Plans also allow for emergency residential shelters upon issuance of a Major Conditional Use Permit in Mixed-Use Commercial zones.

Currently 405 acres of General Commercial parcels citywide can be used for emergency residential shelters. In addition, the North 101 Corridor Specific Plan and the Downtown Encinitas Specific Plan include 25.7 and 33.8 acres of Mixed Use Commercial parcels, respectively. This brings the total potential area for emergency residential shelters in Encinitas to 464.5 acres.

In addition to the land use provisions above, the City enacted an ordinance in 2003 permitting any public agency or state recognized non-profit organization to conduct emergency temporary shelter events at a public facility. An organization can provide emergency shelter services to up to 25 individuals for up to 30 consecutive days, after first obtaining a ministerial operations permit.

Transitional Housing – This use is designed to be transitional to more permanent housing for homeless individuals and families, once they have an opportunity to solve their employment, transportation, child care, and other problems related to homelessness. Social service programs, child care, and similar support services for the resident households may also be provided as part of a transitional housing facility. Transitional housing facilities should specifically be limited in terms of the length of time they are available to individual households (e.g. 180 days) to make room for other homeless households. Parking standards would be established by preparing a parking study through the use permit process.

Transitional housing is permitted in all residential zones, office professional (OP), and general commercial (GC) zones, subject to the approval of a major conditional use permit (MUP). The purpose of the MUP process is to allow uses in certain zones by ameliorating potential conflicts with other uses by placing operational conditions on the use. The MUP process requires citizen outreach under the City's Citizen Participation Program and a public hearing by the Planning Commission. The Planning Commission is the decision-making body authorized to render determinations on MUP's.

A local service agency managing a transitional housing shelter recently amended their use permit to double the number of occupants. The use permit was approved with little to no opposition. With the additional space, the capacity of the shelter has increased from 15 to 30 persons.

Opportunities for Siting Farm Worker Housing

To encourage the development of farm worker housing, the City permits the development of housing for farm employees as an accessory unit in conjunction with a single-detached dwelling or agricultural use upon issuance of a minor use permit provided conditions are met. The conditions include appropriate number of units, and occupancy by farm workers and their families.

Section 30.48.040T of the Encinitas Municipal Code states that "farm employee housing is permitted...upon issuance of a minor use permit." This conflicts with Health & Safety Code Sections 17021.5 and 17021.6, which require that "no conditional use permit...shall be required of employee housing that serves six or fewer employees that is not required of a family dwelling on the same type in the same zone." Thus, a program was added to update the Encinitas Municipal Code so as to be consistent with California State Law. Specifically, the City's code will ensure that agricultural employee housing that serves six or fewer employees has equal treatment to traditional housing units in the same zone.

OPPORTUNITIES FOR ENERGY CONSERVATION

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

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

planned for individual lots. That is, the height limit does not prevent planned density from being achieved. While certain lots in the City may be impacted by physical limitations, such as non-conforming lot areas and/or unusual shapes or topography, such properties can seek relief from development standards through the variance process. Also, since substandard lot conditions are most likely to occur in the older parts of the city, flexibility in the zoning regulations has been provided in those areas through the adoption of specific plans. Thus, the residential height limit is not considered to be a significant housing constraint.

Development Standards

The City's Zoning Ordinance also regulates the physical development of land by imposing minimum standards on lot size, lot width and depth, setbacks, and by placing maximum limits on lot coverage and floor-area ratio (FAR). These development standards are intended to control for unacceptable mass and bulk, ensure proper scale of development, provide minimum light, air, and open space for every lot, and minimize the potential for spillover and edge effects between uses. City-wide, the standards vary among zoning categories and are "fine-tuned" for the specific plan areas (see Error! Reference source not found. Table 40). Because these standards control the amount of physical development that can occur, individually and cumulatively they represent a potential constraint to housing development.

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

Minimum setback or yard requirements vary among the residential zones. The primary purposes of imposing setbacks is to ensure adequate air and light between properties, to ensure adequate on-site access and circulation, to provide opportunities for private open space areas (yards), and to separate uses between properties to minimize conflicts and potential life/safety hazards. Generally speaking, setbacks are tied to lot size, meaning smaller lots have lower minimum setbacks, and larger lots require larger "yards." As with other development standards, the Zoning Ordinance and specific plans provide flexibility to minimum requirements under certain circumstances. For example, in the R-15 through R-25 zones, the minimum side yard requirement can be reduced from 15 ft. to 5 ft. for existing legal lots that do not meet current minimum lot size requirements. Also, the front yard requirement can be reduced from 20 ft. to 15 ft. in cases where parking access can be taken from an abutting alley. While it is possible that setback requirements may inhibit maximum density from being realized in some cases, there is enough flexibility in the current ordinances that setback requirements do not constitute a significant constraint on residential development.

Lot coverage and floor area ratio (FAR) standards are intended to control bulk, mass, and intensity of a use. Lot coverage limits a building's footprint and is defined as the percentage between the ground floor area of building(s) and the net area of a lot. FAR limits the total usable floor area and is expressed as a ratio between the bulk floor area of building(s) and gross lot area. In most residential zones, while maximum lot coverage ranges between 35 to 40%, a FAR of 0.6 applies only in the middle density zones (R-5 to R-11/RS-11). Floor area ratio limits do not apply to the higher density multi-family zones, nor do they apply to any but three of the specific plan mixed-use zones (D-CM-2, D-OM, and D-VCM). As applied to residential development, these standards may only limit the size of dwelling units, and do not

limit the number of units, which is an expression of density (i.e. zoning). FAR, combined with height limitations, can potentially prevent maximum density from being achieved in certain cases. This is most likely to be the case in older, small lot areas, but as previously discussed (see "Residential Height Limits"), the City has adopted more flexible zoning standards to encourage infill and redevelopment in these areas. ~~Therefore, lot coverage and FAR do not significantly constrain the ability to achieve planned densities.~~

To examine whether the FAR limitation alone or in combination with other development standards has resulted in development at less than maximum density, the City reviewed records of new construction dating back to 2000 in the R-11 and D-CM-2 zones. During this time period some 85 new units were constructed in the R-11 zone. Only three properties developed at less than maximum density, none of which appeared to have been constrained by FAR or other development standards. Two of the properties developed as single-family homes with an accessory unit and the third developed as a single-family dwelling only. Also, during this period, five mixed-use projects were constructed in the D-CM-2 zone. Three of these developed at or near the maximum .65 FAR, only one of which achieved maximum density. The others that did not develop at maximum density could have if the non-residential floor area was dedicated to residential use (this zone allows standalone residential). Therefore, while it is conceivable that some combination of development standards may preclude maximum density from being realized under unique circumstances, the City's analysis has not identified any such constraints in the multi-family or mixed-use zones. Lot coverage and FAR do not significantly constrain the ability to achieve planned densities.

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

Parking Standards

Adequate off-street parking must be available to avoid street overcrowding. The City's current parking standard for single-family dwellings is two off-street parking spaces per dwelling unit. This is a common standard among local jurisdictions.

The current parking requirement for multi-family unit dwellings ranges from 1.5 to 2.5 parking spaces per dwelling unit with 0.25 spaces per dwelling unit for guest parking. For a three-bedroom apartment, 2.75 parking spaces would be required. The purpose of this standard is to insure that adequate guest and occupant parking is provided, and that ample off-street parking is provided. In single-family zones, access driveways and tandem parking can be used to accommodate required parking, and the required parking for accessory dwelling units (1 space) may also be located in a driveway or in a tandem arrangement. The provision of adequate parking and the prevention of street overcrowding are in response to Coastal Zone policies to maintain coastal access.

The relaxing of parking standards are often used as an incentive to induce the economic rehabilitation of existing buildings and the creation of affordable dwelling units. The City has provided this incentive within the Downtown Encinitas and North 101 Corridor Specific Plans. The specific plans require only one space per unit for units that are guaranteed affordable to low or very low income households. This should not be

affected by the new density bonus law, SB 1818. The density bonus states that the City cannot require more than one onsite space per unit for 0-1 bedroom units, two onsite spaces per unit for 2-3 bedroom units, and 2.5 onsite spaces per unit for 4 or more bedroom units. Also, as noted in the discussion of building height, the North Highway 101 Corridor Specific Plan permits building height to increase to three stories and 33 ft. when a residential project that utilizes “tuck under” or garage parking at ground level. This provides an incentive for more efficient use of a property and makes it easier to meet the off-street parking requirement.

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

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

While off-street parking standards can affect planned residential density, especially for small lots and in-fill areas, this potential constraint is mitigated by the incentives and flexible standards described above.

Method of Calculating Density

The Land Use Element policies that may be perceived as potential constraints to affordable housing development include the method of calculating density (see Land Use 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 percent slope – (100% density); 25-40 percent (50% density); and 40 percent + - (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 has excellence in design and/or provides extraordinary community benefit.

This policy, along with other General 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 already are anticipated in the projected development potential of the City. The number of dwellings expected under the General Plan is not a theoretical maximum, but is based on mid-range values and the various constraints noted. The Land Inventory Section of this Element shows the City has adequate capacity to accommodate its regional share. ~~As discussed above, this projected development potential with the required method of calculating density is not concluded to be a housing constraint.~~

The City has conducted additional analysis (see below) on the impact of density adjustments on the ability to meet its regional share housing goals. In particular, the City reviewed the effects of calculating density according to net lot area and of limiting certain projects to the mid-point of the density range. The City concluded that the method for calculating residential density required by the General Plan and zoning ordinance does not constitute a constraint to housing, and therefore no program is necessary.

The Land Use Element Policy 3.8 describes conditions under which density must be adjusted downward for residentially-zoned property. There are two primary adjustment components: net lot area and mid-range density. This policy, along with other General Plan policies, is designed to address those environmentally sensitive lands remaining for development, and are This policy, along with other General Plan policies, is designed to address those environmentally sensitive lands remaining for development,

and is important for protecting the city's natural resources, ensuring balanced development, and maintaining a high quality of life for all current and future Encinitas residents.

Net Lot Area – The City's General Plan and zoning ordinance: 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. For purposes of density, the gross lot area is reduced by the presence of steep slopes as follows: the density for properties containing slopes is calculated based on 0-25 percent slope – no deduction (100% density); 25-40 percent slope – ½ of area deducted (50% density); and slopes greater than 40 percent + - area completely excluded (no density allowance). Other constrained areas are deducted as well, including floodplains, beaches, permanent bodies of water, significant wetlands, major utility easements, railroad track beds or rights-of-way, and easements for streets and roads. According to SANDAG (2030 Forecast, 2005 Inputs), approximately ½ of the remaining land otherwise available for residential development in Encinitas (excluding the Downtown and North Highway 101 specific plan areas) is environmentally-constrained. However, almost 99% of the identified constrained lands occur in the lower residential density categories: 1 du/acre through 8 du/acre. Land at these densities is capable of supporting above-moderate income housing. As demonstrated in the Land Inventory Section of this element, the City has sufficient land to support the regional share for above-moderate income housing, even with the environmental constraints identified above (see **Error! Reference source not found.**[Table 33](#)).

Mid-range Density – In some cases, density allowance is further limited to the mid-point of the land use category range. Each residential land use/zoning category is expressed as a density range, with a listed minimum and maximum density. Mid-range density for each category is the mid-point of each range. For example, the Residential 5.01-8.0 du/acre category has a mid-range density of 6.5 du/acre. The mid-range density for each of the residential zoning categories is shown in **Error! Reference source not found.**[Table 40](#). Projects resulting in five or more residential units/lots are limited to the mid-point density of the applicability zoning category. Project applicants may request to exceed the mid-point if “findings can be made that the proposed project excels in design excellence and/or provides extraordinary community benefits (LU policy 8.3).”

Projects of four or fewer units/lots are exempt from the mid-range density policy. Additionally, projects that provide affordable housing pursuant to State Density Bonus Law (SDBL) also are exempt from the mid-point density program. The SDBL clearly requires that density “means the maximum allowable density for the specific zoning range applicable to the project (Government Code 65915(o)(2)).”

Inasmuch as density regulation affects the potential supply of housing and, therefore, is but one of many factors influencing the cost of housing, the City analyzed the effect of the mid-range density policy on actual and projected development. By reviewing past development and projecting the pattern of future growth, the City was able to assess the magnitude of the policy's effect on reducing potential housing supply. It is important to note that mid-range density policy applies to all residential-only zones but does not apply to mixed-use developments in the Downtown Encinitas and North Highway 101 Corridor Specific Plan areas. Nor did the mid-range density policy apply to the Encinitas Ranch Specific Plan area.

Between 2001 and 2005, the City approved 74 minor and major subdivisions totaling 323 residential units. Of these, 13 subdivision maps totaling 105 units were limited to the mid-point of the applicable density range. The remaining maps were approved above mid-range or at maximum density. As a result, the development potential of this subdivision activity was reduced by approximately 49 units, or about 13 percent of the maximum. Only one of the subdivisions approved at midrange density occurred in a multi-family zone (R-20). The rest affected lower density single-family zones (RR through R-8) at densities considered to be appropriate to accommodate above-moderate income housing. As demonstrated in

Error! Reference source not found. Table 6, the City exceeded its overall regional share goal for the 1999-2004 planning period. Therefore, the mid-range density policy had only a marginal impact on the supply of housing during the previous planning period.

In assessing the potential impact of the mid-range density policy on housing supply in the 2005-2010 planning period and beyond, the City analyzed the development potential of the vacant and infill sites identified in the land inventory. Based on current parcel configurations, 18 vacant sites comprising 216 acres and 77 infill sites totaling 200 acres would be potentially affected by the mid-range policy. While these sites represent 35 percent of the estimated acreage available for development (1,174 acres), potential unit yield is reduced by only about 9.2 percent. When the mixed-use development potential of the Downtown Encinitas and North Highway 101 Specific Plan areas are factored in, the effect on supply is less than 7 percent. Put another way, the available vacant and infill lands are expected to develop to within 94 percent of their potential capacity, after accounting for mid-range density. The lands expected to be most affected by mid-range density are in the lower density zones (-1 du/acre to 8 du/acre) and also tend to be the most environmentally-constrained. The specific plan mixed-use areas, where densities up to 25 du/acre are permitted, are largely unaffected by the policy (only stand-alone residential projects in the D-CM-2, N-CRM-1, and N-CRM-2 zones are subject to mid-range density). While mid-range density policy remains an important tool for ensuring sensitive and quality development, it is not expected to play a significant role in the supply and cost of housing in Encinitas.

This policy, along with other General Plan policies, are designed to address those environmentally sensitive lands remaining for development. While the density adjustment factors analyzed above may be perceived as potential constraints to affordable housing development, it is important to understand that these various environmental limits to density already are anticipated in the projected development potential of the City. The number of dwellings units expected under the General Plan is not a theoretical maximum but is based on reasonable estimates of development potential by taking into account the mid-range density policy values and the various constraints noted and adjusting for steep slopes and other significant environmental constraints as noted. The Land Inventory Section of this Element shows the City has adequate capacity to accommodate its regional share. As discussed above, this projected development potential with the required method of calculating density is not concluded to be a housing constraint.

2005 Ordinance Amendments

Effective in early 2005, a number of changes were made to various residential development standards. This section summarizes the more noteworthy changes and assesses their potential impact on the provision of housing.

Building Height— Residential building height in the rural residential zones (R through RR-1 and RR-2 for standard lots in Olivenhain) is permitted up to a maximum of 30 feet without discretionary review (26 feet if flat roof). For all other residential zones, building height is limited to two-stories and 22 feet (flat roof) / 26 feet (pitched roof). Increased height to a maximum of 30 feet now requires the more rigorous findings for a variance rather than an administrative design review. While these changes place some additional restrictions on height in certain cases, they do not pose a significant constraint to the provision of housing and reinforce the community's perception of the need to protect the existing character and quality of the communities within Encinitas. Higher density housing can be constructed within these height limits, and they will have to respond to the importance that the community attaches to the character and quality of the surrounding community as well as the entire City. The issue is more about better design not height parameters.- The City has demonstrated that higher density and affordable housing can be, and is being, constructed within these height parameters.

Lot Coverage— The definition of lot coverage has been changed to mean the downward projection (“birds-eye view”) of all habitable portions of a building, not just the ground floor. Under certain circumstances this new definition could result in less utilization of a residential lot, and therefore potentially more constraining than under the old definition. However, the previous discussion regarding lot coverage and floor area ratio still holds: these standards have more effect on the size of units rather than the number of units. Even under the new definition, lot coverage is not a significant constraint to achieving planned densities.

Enclosed Parking— New single-family and duplex units must now provide a minimum of two enclosed parking spaces. Previously, the required parking could be enclosed or unenclosed. For larger units requiring 3 spaces, the third space may be unenclosed. This requirement could potentially mean higher construction costs, however it is rare that single-family or duplex housing would be built without enclosed parking anyway. For existing dwellings, the new requirement could limit the practice of converting garages to habitable space.

Subdivision Design— Various changes to the subdivision regulations provide more flexibility in site design. For example, language has been removed requiring subdivisions to be based on small neighborhoods and have uniform rectangular lots. Use of panhandle lots and variation of lot sizes is now encouraged where appropriate. Net acreage calculations now specifically exclude areas used exclusively to provide access to rear-loaded garages. These changes are beneficial to the provision of housing by allowing for more flexibility and better site design.

Fees and Exactions

Within the San Diego region, a variety of fees are charged to new developments. These fees include, but are not limited to, development impact fees, permit issuance fees, engineering and public works fees, and subdivision processing fees. Each of these fees is used to pay for the necessary local infrastructure needed to support the development and to cover the cost of processing the permits. These fees have not been found to act as a constraint to the development of housing in Encinitas.

Development Impact and Permit Issuance Fees

Development impact and permit issuance fees are used to support a variety of functions including checking submitted plans, paying local facilities management fees, special road assessments, and public service related fees for other agencies such as school districts, water districts, and utility providers. Table 45 on the following page shows permit issuance fees for a prototype home in Encinitas and other North County Coastal cities from a survey conducted by the Building Industry Association of San Diego County (BIA). The cities of Solana Beach and Del Mar were not included in this study.

**Table 45
PERMIT ISSUANCE FEES: PROTOTYPE HOME
North County Coastal Cities, 2005-2006**

	Carlsbad	Encinitas	Oceanside
Valuation	\$293,760	\$284,939	\$248,460
Valuation Year	2005-06	2006-06	2002
Permit Fees			
Plan Check	\$744 (1) ⁶⁵³ †	\$1,828 (6) ⁸	\$830
Building Permit	\$1,144 (1) ⁰⁰⁵ †	\$1,850	\$1,343
MPE Permits	\$227 (1) ⁻ †	\$332	Incl
Energy	—	Incl	\$116
Seismic	\$295 (1) [†]	\$28	\$25
Fire Sprinkler Fee	—	\$250	—
Impact/Capacity Fees			
Sewer	\$2,246 (2) ¹⁴⁰ †	\$4,257 (7) ⁹	\$4,114 (11) ¹²
Water	\$7,486 (3) ³	\$8,563 (8) ^{9,10,11}	\$3,360
Public Facilities (PF)	\$10,282 (1) ^{†,4}	—	\$1,301
Traffic (inc signal)	\$1,074	\$2,225	\$1,907
Parks	\$5,728 (3) ⁵	\$9,751	\$2,200
Fire Mitigation	—	\$582	—
Drainage/Flood	\$1,090 (4) ⁶	\$735	\$1,105 (12) ¹³
School	—	\$5,940	\$5,778
Inclusionary Housing	\$2,925 (5) ⁻⁷	—	\$10,375 (13) ¹⁴
Special District Fees	—	—	—
Other	—	—	—
Total	\$32,971	\$30,972	\$32,454
1. ICPB may increase valuation factor	8. Include meter install: SDWD=\$2,250 Add \$100 for Plan Dept. plan check	13 Plus annual service charge of \$350-\$1,705-\$9,575/acres (assumes Motto Hills, zone 1D, e \$4,334/acre)/based on gross acreage of 10 acres @ \$2,14/sq.ft.	
2. Median: \$574-2,965,690+\$985,27 EDU	9. Buy in fee SDWD= \$2,000; SDCW = \$4,313 See Eng. & Public Works	14. +annual service charge of \$350	
3. Ranges \$3,696C-\$7,649est for a 5/8" meter	10. Includes Park and Recreation, Open Space Land Acquisition, and Trail Development Incl. Meter install; San Dieguito WD		
4. 4. Low Runoff Area B - \$4,009/Acre 3.5% of VAL	11. Buy in fee = assumes 5/8" meter and includes SDCWA changes Buy in fee = \$3,098; SDCW = 187 "3m" meter assumed		
5. Ranges: \$1,925-\$4,515 in lieu fees or no fees depending on the circumstances. 564 \$3,251	12. \$1,705 - \$9,575/acre (assumes Motto Hills, zone 1D, e \$4,334/acre) based on gross acreage Buy in fee = assumes 5/8" meter and includes SDCWA changes		
6 Add \$220 for Plan Dept. plan checks. Low Runoff Area B - \$4,009/Acre			
7. \$2,925 or \$4,515 in lieu of fees or no fees depending on circumstance			

Source: Building Industry Association, 2005-2006 Fee Survey, San Diego County, City of Encinitas 2006

Permit fees are based on a four bedroom, three bath single family detached residential dwelling unit with 2,700 square feet of living area, a 600 square foot garage, 240 square foot patio (cover and walls); fireplace; gas and electric hookups; type V, wood frame construction. This survey provides an overview of development related fees charged by land-use agencies in the San Diego region. Although the survey

relies on information from local jurisdictions, the BIA cautions against comparing fee levels by jurisdiction, since methodology, approaches, assumptions, and levels of service may have varied widely.

Based on the BIA survey, permit issuance fees in Encinitas averaged \$24,628, about \$7,800 less than in Oceanside, the North County Coastal city with the highest fees. Encinitas had the lowest permit issuance fees for residential projects of four or more units in the North County Coastal cities for which the survey was conducted.

The BIA survey did not include an inclusionary housing fee in the City of Encinitas. If the inclusionary housing fees for the Cities of Oceanside and Carlsbad are left out, Permit Issuance Fees then hover around the same amount for all three cities surveyed.

Engineering and Public Works Fees

Like permit issuance fees, engineering and public works fees are used to support a variety of functions including checking submitted plans, paying local facilities management fees, special road assessments, and public service related fees for other agencies such as school districts, water districts, and utility providers. Table 46 shows Engineering and Public Works fees for project development in the North County coastal cities.

**Table 46
ENGINEERING AND PUBLIC WORKS FEES (PROJECT)
North County Coastal Cities, 20054-20065**

	Carlsbad	Encinitas	Oceanside
Grading Plan Check	• \$4,8565	• \$1,150700/sht (varies)	• \$7,228
Grading Permit	• \$2,765615 ¹	• Inspection: 5% of Engineering-Cost est. for first \$100,000, 3% for amount over \$100,000	• \$40
Improvement Plan Check	• \$31,980 ²	• \$1,700975/sht (varies)	• \$21,540
Improvement Inspection	• \$19,0307,775 ²	• Inspection: 5% of Engineering-Cost est. for first \$100,000, 3% for amount over \$100,000	• \$25,653
Geotechnical/Soils Review	—	Cost plus \$300—	—
Landscaping Plan Check	• \$10,4606,675 ²	-----	• \$2,250
<ul style="list-style-type: none"> • Fee 1. Based on 100,000 CY 2. Based on \$1.5 million 			

Source: Building Industry Association, 20054-20065 Fee Survey, San Diego County, [city of Encinitas 2006](#)

Subdivision Processing Fees

Subdivision processing fees are used to cover the City's administrative costs incurred through the processing of subdivision applications and plans. Table 47 on the following page shows subdivision processing fees for smaller subdivisions (less than 50 lots on 10 acres) in the North County coastal cities.

**Table 47
SUBDIVISION PROCESSING FEES (SMALLER SUBDIVISION)
North County Coastal Cities, 2004-2005**

	Carlsbad	Encinitas	Oceanside
Annex	—	O \$1,960,000	—
Compliance	• \$870,790	• \$600,340	—
Design Review	• N/A	♦ \$800,570 staff review, \$1,200-\$3,360,500-1,200, Plan Dept.	—
Development Agreement	O \$10,000 Actual Cost/Increments \$10,000	O-Cost + 25% ovh	—
General Plan Amendment	• 0-5 ac = \$3,555,230 >5 ac = \$5,125,466	\$8,760 (no vote required) O \$2, \$12,960 (vote required) 400-varies by size	• \$4,728-\$7,406
Tentative Parcel Map	• \$3,165,287	• \$2,400,120	• \$1,239+\$72/unit
Final Map	• \$3,025,285	• \$920,500 Plan Dept deposit, \$2,000+1,100/sht Eng Dept	• \$637 + 56/lot
Planned Development (PRD)	• < or = 4 units = \$2,510,280 5-50 units = \$6,960,325 51+ units = \$9,995	O-\$5,600 (plus \$180/lot over 5 2,000	—
Planned Development (PCD)	• < or = 4 units = \$2,510,280 5-50 units = \$6,960,325 51+ units = \$10,995,995	\$5,600 (plus \$180/lot over 5 O \$2,000	—
Rezone	• <5 ac = \$4,080,371 >5.01 ac = \$5,535,030	O-\$12,960,400	• \$3,801-\$7,600
Sensitive Land/Resources	• N/A	—	—
Special Use Permit (major CUP)	• Flood Plain \$3,215,220 (Amendment) \$2,785,530 Flood Plain Coastal High Hazard \$2,330,120 (Amendment) \$2,785,530, Scenic Corridor \$2,910,645 (Amendment (all others) \$2,020,183	• \$42,160,000	• \$1,828
Site Development Plan	• Minor = \$3,720,380 Major = \$9,430,870	See Design Review	—
Specific Plan	♦ \$29,220,565 (Base fee + fully burdened hourly rate after 1 st 20 hrs/Project Planner or 60 hrs/ Project Engineer)	\$18,9600	• \$3,130
Variance	• \$2,355,140	\$768,420 (minor) \$1,680,600 (major)	• \$369-\$2,946 ¹

• Fee, O Deposit, ♦ Fee and Deposit, 1. Sign Permit Fee

Source: Building Industry Association, 2005-2006 Fee Survey, San Diego County, City of Encinitas, 2006

Table 48 shows subdivision processing fees for larger subdivisions (at least 50 lots on 10 acres).

Table 48
SUBDIVISION PROCESSING FEES
(MAJOR SUBDIVISION – AT LEAST 50 LOTS ON 10 ACRES)
North County Coastal Cities, 2005-2006

	Carlsbad	Encinitas	Oceanside
Tentative Map	• \$ 13,705,375	O- \$5,600 + \$180/lot over 5 \$2,000	• \$10,043 ²
Final Map	• \$ 6,225,660 + \$5/acre	◆ \$ 1,160,500 Plan Dept; \$ 1,600,960 /sht Eng Dept [†]	• \$3,437 ³
Environmental Initial Study	• \$ 790,150 - \$1,440,310	O- \$2,920,000	• \$1,701/issue ²
Environmental Impact Report	◆ \$ 165,700,180 (Base fee + fully burdened hourly rate after 1 st 160 hrs/Project Planner or 40 hrs/Project Engineer)	O-Cost+ \$1,500	• \$2,126/issue
<p>• Fee, O Deposit, ◆ Fee and Deposit</p> <p>1. Final Parcel Map \$1,100</p> <p>2. Map calculate @ \$1,943 + \$162/lot</p> <p>3.1. Final Parcel Map calculations @ \$637 + \$56/lot</p>			

Source: Building Industry Association, 2005-2006 Fee Survey, San Diego County, [City of Encinitas 2006](#)

Processing and Permit Procedures

New residential development is subject to review and permit processes. At a minimum, building permits are required to construct any new or structurally-remodeled dwellings. Unless exempt, new single-family units and multi-family development proposals are subject to design review. Land subdivisions require approval of a parcel or subdivision map. Proposed residential development within the Coastal Zone is also subject to approval of a Coastal Development Permit. In all residential zones single-family and multi-family development is permitted by right, i.e., not subject to a conditional use permit unless it is a Planned Residential Development (PRD) or proposes a density bonus or lot area averaging 4 units. It will take approximately six months to review, while a major subdivision will take about 10 to 12 months. These review times are comparable to other cities in the region. There is no substantial difference in review times between multi-family and single-family developments. Single-family and multi-family uses also are permitted by right in mixed-use zones. The review procedures for single-family and multi-family development are similar. Neither single-family nor multi-family development is subject to a conditional use permit unless it is a Planned Residential Development (PRD) or proposes a density bonus or lot area averaging.

Design Review

The design review process is regulated by Municipal Code Chapter 23.08 and adopted Design Guidelines. While there are some exceptions to the design review requirement, such as limited additions and remodels, a single home on a pre-existing legal lot, walls and fences under six feet high, and so forth, all other new development is subject to the regulations. Design review determinations are either made by the Planning Director or Planning Commission (see “Administrative Review” and “Discretionary Review” discussion below). Most new residential developments will be reviewed by the Planning Commission. In order to gain approval, the design review regulations require that the decision-maker must find that the project: 1) is consistent with the General Plan, a Specific Plan or the Municipal Code; 2) is substantially consistent with the Design Review Guidelines; 3) would not adversely affect the health, safety, or general welfare of the community; and 4) would not tend to cause the surrounding neighborhood to depreciate materially in appearance or value (EMC 23.08.080).

To guide developers in designing their projects and assist staff and the Planning Commission in evaluating them, the Design Guidelines contain detailed policies covering various aspects project design: site planning, grading and landform, circulation, parking and streetscape, architecture and signage, lighting, and landscaping. Some guidelines are mandatory, i.e., the project must incorporate certain features into their designs. For example, “barrier-free design amenities for the disabled *shall* be provided.” Most guidelines, however, are presented in the more suggestive terms “should”, “should not”, “encouraged” and “discouraged”. The guidelines are intended to articulate community vision about how development is executed while at the same time provide enough flexibility to encourage creativity and cost-effective design. In addition, each of the adopted Specific Plans has written guidelines tailored to the design and character issues unique to those areas. The written guidelines enable prospective developers to understand how their projects will be evaluated and enable them to design accordingly, minimizing costly redesigns and delays in the review process.

During review of this Housing Element, **a concern was** expressed that design review finding number four (above) could pose a constraint to housing as it could be subjectively applied to deny a project. While there is no known case in Encinitas that a residential project was denied on the basis that it may “tend to cause the surrounding neighborhood to depreciate materially in appearance or value”, the City will carry out a program to modify or eliminate this design review finding to ensure that the design review process does not pose a constraint to the provision of housing.

Building Permit

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

- Filing a Building Permit application and payment of fees.
- Submitting Construction Plans for Building and Grading Permits.

- Resubmit Construction Plans for re-review as needed
- Permits Issued

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

Coastal Development Permit

New development in the City's Coastal Zone requires a Coastal Development Permit. In 1994, Encinitas assumed permitting authority from the California Coastal Commission through an adopted Local Coastal Program (LCP). To reduce overlapping requirements, the LCP allows processing of coastal development permits concurrently with other reviews such as design review and conditional use permits. However, in the case of individual single-family home construction, coastal permit requirements can add on two months to the review process.

While the review and permit processing procedures and time frames are comparable to other coastal cities, Encinitas continues to seek improvements to its procedures. Program 1L is an on-going effort to improve the efficiency of the City's development review process. The City is implementing a number of recommendations contained in a development services review study conducted in 2004, including upgrading computerized permitting software, improving coordination and communication between departments, offering weekly pre-development meetings with prospective developers, distribution of a quarterly newsletter to the development community, improved access to zoning and development information via the City's website and informational brochures at City Hall. The City also is seeking to exempt certain types of development in specific locations (including individual homes) from the Coastal Development Permit process, provided there are no environmental constraints or coastal access issues.

Administrative Review (Director Approval)

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

- Tentative Parcel Map (4 lots/units or fewer)
- Boundary Adjustment
- Certificate of Compliance
- Minor Use Permit
- Minor Variance
- Condominium Conversion (4 units or fewer)

Discretionary Review (Planning Commission Approval)

Residential projects that require Planning Commission review involve submitting a Discretionary Permit Application, staff and public review, and final approval by the Planning Commission. The Discretionary Review process generally takes 6 months up to a year for approval. Planning Commission determinations can be appealed to City Council, which can lengthen review time. The following types of projects require Planning Commission approval:

- Tentative Subdivision Map (5 or more lots/units)
- Major Use Permit
- Major Variance
- Condominium Conversion (5 or more units)

Inclusionary Housing Ordinance

The City's inclusionary housing program requires housing developers of 10 or more dwelling units to reserve a unit or units for an affordable rental to tenants qualified by the County Housing Authority as meeting Section 8 Rental Assistance Requirements or to pay an in-lieu fee. If the developer elects to pay the in-lieu fee, the amount of the fee shall be fixed by a schedule adopted, from time to time, by resolution of the City Council. In-lieu fees are deposited into the City's Affordable Housing Fund, which provides funding for affordable housing consistent with the goals and policies of the City's Housing Element. The City has never established an in-lieu fee so there is very limited flexibility in complying with the inclusionary housing requirement. The lack of options in the inclusionary ordinance has been perceived as a constraint. The impact on the cost of inclusionary housing certainly is arguable. The high and rapidly appreciating housing market in Encinitas suggests that it is highly unlikely that inclusionary programs substantially impact the price of market rate housing. The market is a very important determinant of the price, and with such a high profit housing market, the inclusionary "costs" would likely be absorbed as part of market pricing mechanisms. The impact would be to somewhat diminish the profit margin on a highly profitable enterprise without much impact on the overall cost. For Housing Element purposes, the constraint is defined less as a cost factor and more as a factor of the inflexibility of the ordinance.

The Housing Element includes a program to consider changes in the inclusionary housing requirements to both strengthen its implementation while providing flexibility to developers. This program is laid out in the Programs section of this document.

Consistency with State Density Bonus Law

State Density Bonus Law (SDBL), in Government Code Section 65915, is a voluntary program that requires cities and counties to offer a density bonus "when an applicant for a housing development seeks and agrees to construct a housing development" that provides for a certain amount of affordable housing (GC 65915(b)(1)). The density bonus can range from 20% to 35% depending on the targeted income level and percentage of a project that will be reserved for low or moderate income families. Additionally, cities and counties must offer one to three incentives or concessions to make a density bonus project feasible. To get the density bonus under SDBL an applicant must propose a project of at least five units and must agree to make at least 5% of the units affordable for a period of 30 years.

The City's Inclusionary Housing Ordinance in Municipal Code Chapter 24.21, on the other hand, is a mandatory dedication requirement for residential subdivisions of 10 or more units. Since the inclusionary ordinance imposes the affordable housing requirement, the applicant is not "agreeing to construct" the units, and therefore is not entitled to a density bonus under SDBL. However, an applicant subject to the dedication requirement may seek a density bonus in exchange for "agreeing to construct" affordable units in addition to what is otherwise required by the City's Inclusionary Housing Ordinance. In such a case the bonus units are not considered in determining the inclusionary requirement. That is, the inclusionary dedication requirement is calculated prior to application of a density bonus.

For example, if an applicant proposes a 36-unit project, the City's inclusionary housing dedication requirement would be 3 units (10% of 36 rounded down). If the applicant agreed to reserve an additional 11% of the project affordable to very low income families, the project would qualify for a

35% density bonus under SDBL, or 13 additional units (35% of 36 units, rounded up). As a result, the project would provide a total of 49 units, of which 3 would be affordable under the Inclusionary Housing Ordinance, and 4 (11% of 36 units, rounded up) would be affordable under SDBL. The remaining 42 units would be sold or rented at the market rate. By calculating the inclusionary requirement on the “base” project (36 units), the affordable housing incentive provided by the density bonus is preserved. In this manner, the City’s Inclusionary Housing Ordinance is consistent with the State Density Bonus Law.

Growth Management Measures

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

Effective since October 1990, Ordinance No. 90-25 established a first-come, first-served building permit allocation system to implement the General Plan Land Use Element Growth Management Goals and Policies (See Policy 2.1, Goal 4, Policies 4.1 through 4.7). In a given year, any allocated permits that were not applied for are then redistributed among the remaining years until 2014.

Certain categories of residential development are exempt from the allocation process, including: replacement units; accessory units; units approved with a vesting tentative map or have obtained some “vested right”; individual single-family units on pre-existing legal lots; affordable housing projects; and affordable housing units.

In 1999, the City analyzed the effectiveness of the growth management plan in regulating the pace of residential growth in Encinitas. The City found that the measure has had no effect on limiting growth in Encinitas. There has not been a single year in which the number of building permit applications has exceeded the number of available permits. This is due primarily to two factors: low housing production attributable to poor economic conditions in the early and mid-1990’s, and the cumulative effect of carrying over unallocated permits from year to year. In fact, the City stopped accounting for the permit cap shortly after this discovery was made. By 1999 – the last year the City calculated permit caps – there were more than 1,200 permits available, more than triple the highest number of new dwelling permits issued in any year since the GMIP was established. Given the large surplus of available permits as of 1999 (1,200/year), GMIP the growth management plan will neither pose ~~no~~-a constraint on current or future housing production-, nor impede the City’s ability to accommodate its share of the regional housing need.

Housing for Persons with Disabilities

As noted in the Special Needs section of the Housing Element, persons with disabilities have a number of specific housing needs, including design and location. Design needs generally include the removal of architectural barriers that limit the accessibility of dwelling units, and construction of wheelchair ramps, railings, etc. Location needs include accessibility to public transportation, commercial services, healthcare, and supportive services. Some persons with disabilities need group housing opportunities, especially those who are very low-income or homeless.

Procedures for Ensuring Reasonable Accommodations

The City ensures that new housing developments comply with Title 24 of the California Code of Regulations. The City implements and enforces Chapter 11 of the 1998 California Code of Regulations, which has regulations comparable to those found in ADA. The City provides information to applicants or those inquiring of City regulations regarding accommodations in zoning, permit processes, and application of building codes for persons with disabilities

Applicants for development projects may apply for a variance from development standards if circumstances warrant. Certain minor variances may be granted by the City's zoning administrator, while other variance requests must be approved by the Planning Commission. In either case, rather strict findings must be made in order to grant a variance. As such, the formal variance procedure may not be the appropriate vehicle to consider requests for reasonable accommodations. ~~While the City has no formalized procedures for obtaining a waiver of development standards which may be necessary to make improvements for reasonable accommodation pursuant to ADA, in the past, the City has considered such requests on a case-by-case basis. Individuals with disabilities can contact the Planning and Building Department to request a waiver or modification from the requirements of City zoning or building codes in order to facilitate a reasonable accommodation. Such requests are reviewed by the Planning and Building Director, or his/her designee. Decisions of the Planning and Building Director can be appealed to the City Council.~~ To comply with state law (SB520) the City will implement a program to develop a formal reasonable accommodation procedure for persons with disabilities (Program 1F).

Encroachment Permit Procedure

Encroachment permits for structures within public rights-of-way are handled administratively by the Engineering Services Department. Improvements designed to improve accessibility (e.g. a wheelchair ramp) that encroaches on the public right of way needs a Permanent Encroachment permit with a Maintenance and Removal Covenant. The applicant provides a drawing of the proposed improvements in relation to the public right of way, which is then reviewed by the City Engineer. The improvements must be completed by a licensed and insured general contractor. There is a nominal permit fee as well as a small recording fee.

The City's permit processes for waivers and encroachments are relatively simple and expeditious and do not constitute a constraint to reasonable accommodations for persons with disabilities.

Efforts to Remove Regulatory Constraints for Persons with Disabilities

Existing state law supersedes City discretion for review of small group home projects (six or fewer residents). The City does not impose additional zoning, building code, or permitting procedures other than those allowed by state law. There are no City-initiated constraints on housing for persons with disabilities caused or controlled by the City. The City does not have any planning requirements regarding concentrations of residential care facilities. Also the City updated its definition of family in accordance with state law in 2005.

The City also allows residential retrofitting to increase the suitability of homes for persons with disabilities in compliance with ADA requirements. Such retrofitting is permitted under Chapter 11 of the 1998 version

type would probably be Type 3 (for rent) or 1 (for sale) which involves steel and concrete. In those cases, construction costs would rise to about \$200 per square foot.

Finance Costs

Interest rates affect homeownership opportunities regionwide. In December of 2004, the posted interest rate on resale single family homes was 5.23 percent on a 30-year, fixed rate loan with a 20 percent down payment. On the median home in San Diego County costing approximately \$491,000, the monthly interest and principal payment was \$2,164. The reduction in the cost of financing home purchases over the past ten years certainly has fueled both first time home buying as well as households that want to trade up based upon the substantial increase in the equity of their house and lower financing charges. Lower interest rates have had a substantial impact on the affordability of housing and on the higher sale volumes. The increase in demand, when coupled with a constrained supply, has resulted in rapid escalation of housing costs, especially in the North County Coastal region.

Table 50 uses Home Mortgage Disclosure Act (HMDA) data to analyze mortgage lending patterns in San Diego County. With only preliminary data available, we are not able to determine what percentage of loans was approved (which is based on the number of loans approved but not accepted and the number purchased). What we are able to observe, though, is that a higher percentage of applications from lower income groups were denied than from the higher income groups.

Table 50
MORTGAGE LENDING RATES
San Diego Region, 2003

Applicant Income Group*	Total Apps.	Loans Originated	Apps. Denied	Percent Denied
≤50%	334	151	68	20.4%
>50%-80%	2,008	1,348	293	14.6%
>80%-100%	2,830	1,982	314	11.1%
>100%-120%	3,956	2,745	424	10.7%
>120%	31,414	22,624	2,960	9.4%
Total	40,542	28,850	4,059	10.0%

*Percentage of Area Median Income

Source: San Diego County Reinvestment Task Force 2003 Home Mortgage Disclosure Act (HMDA) Research First Draft

Environmental Constraints

The City of Encinitas is bound by the Pacific Ocean on the west. Coastal bluffs at the City's northern boundary overlook the portion of Batiquitos Lagoon that falls within Encinitas, and includes lands south and southeast of the lagoon, including Indian Head Canyon, Magdalena Ecke Park, the slopes above Green Valley, and habitat north of Encinitas Boulevard between El Camino Real and Rancho Santa Fe Road. At the city's southern perimeter, slopes and bluffs

overlook San Elijo Lagoon. Escondido Creek, a major east-west waterway, traverses the southern boundary of the City and ultimately empties into the San Elijo Lagoon.

Portions of Encinitas are exposed to a variety of environmental hazards and resources which constrain development. These constraints include topography, flooding, landslides and seismic hazards, and areas with natural and cultural resources. For example, areas of Olivenhain and the Sphere of Influence area beyond the city's eastern limits include slope areas greater than 25 percent and are characterized by the presence of biological habitat. A number of residential properties along the coast in Old Encinitas and Leucadia are affected by the presence of coastal bluffs and erosion. The Zoning Ordinance has defined a Special Purpose Overlay Zone that recognizes the need for additional development standards in these environmentally constrained areas before future development may proceed. These constraints were applied before, and taken into account as part of the residential capacity figures that were generated as part of the site inventory analysis.

There is Aa definite relationship exists 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 a~~ balance between housing development and environmental constraints and needs is vital to the planning process. In Encinitas those areas planned for higher density are less subject to environmental limits and hazards. Conversely, those areas that are more constrained are planned for lower density to lessen the potential for unacceptable impacts on the environment. Approximately 6.1 percent of the land cannot be developed in Encinitas due to physical or environmental constraints such as steep slopes, flood plains, wetlands, or public ownership.

Program 1B: Accessory Units

The City will continue to apply zoning code provisions that allow accessory units (also known as second units or granny flats) by right in all single family residential zones, in accordance with State law. The City's accessory unit regulations were liberalized in the mid-1990's, permitting their construction by right in single-family neighborhoods. Implementation of the City's ordinance permitted the construction of at least 163 new units during the last review period. This program has been successful in fostering the development of accessory units throughout the community and will be continued.

Implementing Agency: City of Encinitas Planning Department

Schedule (from Housing Element adoption): Ongoing

Program 1C: Agricultural Worker Housing

~~The City will continue to apply zoning code provisions that provide for the allowance of agricultural worker housing as an accessory to agricultural/horticultural land uses. The City will review development standards/limitations now in effect for agricultural worker housing to avoid potential disincentives and to allow for flexibility in the type of structure allowed as accessory agricultural program housing. Based upon the evaluation of the last cycle's programs, there is no indication that the City's standards have posed a particular constraint to the provision of such housing. The City will amend its zoning ordinance to be consistent with state law regarding farm worker employee housing. In short, state law prohibits cities from imposing conditional use permit requirements on housing for six or fewer employees (including farm worker housing) if family housing of the same type in the same zone does not require a use permit. In residential zones, residential uses are permitted by right, i.e., no conditional use permit is required. According to state Health & Safety Code Sections 17021.5 and 17021.6, employee housing (six or fewer) must be treated as any other residential use.~~

Due in large measure to high housing demand, high land prices, and fundamental economic shifts in the agriculture industry, greenhouse and agricultural operations are increasingly being converted to residential land uses in Encinitas. The General Plan's Resource Management Element recognizes the important contributions that the agriculture industry has made to Encinitas' history, and contains a number of policies to encourage its continued role in the community. Consistent with these policies, the City will support efforts to provide housing for agricultural workers by encouraging participation in HCD's Joe Serna Jr. Farm Worker Housing program. This program provides grant and loan funding to assist with construction, rehabilitation and acquisition of owner-occupied and rental units for agricultural workers, with a priority for lower income households.

Implementing Agency: City of Encinitas Planning Department

Schedule (from Housing Element adoption): ~~Ongoing~~ Initiate and complete zoning amendment within 36 months; efforts to encourage participation in funding programs for agricultural housing - on-going

Funding: Joe Serna Jr. Farm Worker Housing program of the CA HCD

Program 1D: Mobile Home/Trailer Parks

The City will conduct a citywide assessment of mobile homes/trailer parks to determine their status and ability to continue to provide affordable housing opportunities. The expected outcome of the assessment will be a set of recommendations intended to maintain the future viability of mobile home communities through regulatory (zoning) and/or non-regulatory (financial incentives) means. The City will evaluate a number of policy and program options that could include, but not necessarily be limited to, rent controls on space and/or unit rents, bond financing to enable tenants to purchase space and/or units, and other policies designed to protect mobile home tenant housing in the City.

The City will continue to apply zoning provisions that allow the development of new mobile home/trailer parks, and that recognize and allow the expansion of existing parks. The City will continue to maintain the exclusive mobile home park zone (MHP) where appropriate, and will continue to provide for parks as an option under other zones.

Implementing Agency: City of Encinitas Planning Department

Schedule (from Housing Element adoption): City-wide assessment – within 12 months; Zoning provisions – ongoing

Funding: General Fund

Program 1E: Care Facilities

In early 2005, the City revised its ordinance and definitions to be consistent with State standards. The City will continue to allow for the development of small-scale care facilities, community care facilities, congregate care facilities, and residential care facilities under zoning to meet the special housing needs of seniors and persons with disabilities.

Implementing Agency: City of Encinitas Planning Department

Schedule (from Housing Element adoption): Ongoing

Program 1F: ~~*Identify and Remove Constraints*~~*Implement Reasonable Accommodation Procedure in Zoning and Building Permit Processes to the Development of Housing for Persons with Disabilities*

State law (SB 520 – Chesbro) requires jurisdictions to analyze potential and actual governmental constraints on the development, maintenance and improvement of housing for persons with disabilities and demonstrate local efforts to remove or mitigate those constraints. Housing elements must include programs that remove constraints or provide reasonable accommodation for housing designed for persons with disabilities.

Through its building permit authority, the City enforces state Title 24 accessibility regulations. As needed on a case by case basis, the City has made reasonable accommodations with respect to accessibility in its application of zoning/development standards. However, to date no formal review of its procedures or zoning ordinances has been conducted as required by state law. ~~The City will analyze its zoning ordinance and procedures to ensure that it is providing flexibility in and not~~

~~constraining the development of housing for persons with disabilities. If constraints are found, the City will modify its zoning ordinances and/or develop procedures for reasonable accommodation to facilitate housing for persons with disabilities.~~ This program will develop a formal reasonable accommodation procedure for persons with disabilities as related to zoning/development and building permit processes.

Implementing Agency: City of Encinitas Planning Department

Schedule (from Housing Element adoption): ~~W~~within 6 months

Funding: General Fund

Program 1G: Modify City's Density Bonus Ordinance

New State law (SB 1818) has modified the requirements for the City if a developer requests a density bonus for providing affordable housing as part of a development proposal. Key provisions of the new law include lowering minimum density bonuses and affordable housing set-asides, providing a density bonus range that caps at 35% and requiring cities to grant up to three incentives or concessions. The law also provides for reduced parking requirements if requested by a developer.

The City's implementing ordinance of density bonus law is inconsistent with the recent changes. The City's adopted Local Coastal Program (LCP) restricts density bonuses to a maximum of 25 percent and allows only one concession or incentive due to the California Coastal Commission's interpretation of previous State Density Bonus Law. This program will bring the City's density bonus ordinance and LCP into conformance with the new provisions of state law. Additionally, the City will evaluate how the ordinance may be applied in conjunction with the City's Inclusionary Housing program (Program 1H below) to maximize affordable housing opportunities.

Implementing Agency: City of Encinitas Planning Department

Schedule (from Housing Element adoption): ~~W~~within 6 months

Funding: General Fund

Program 1H: Inclusionary Housing

The City's inclusionary housing program requires that subdivisions of 10 or more units to set aside at least 10 percent of the units for low income households. As a condition of approval of any tentative subdivision map for residential dwellings, community apartments, stock cooperatives or conversions of 10 units or more, the subdivider is required to reserve a unit(s) for rental to tenants at or below 50 percent of the median income. The unit(s) must be rented at or below the affordable rent level for households at 50% of the median income. The units either have to be rented at or below the affordable rent level or sold at a price affordable to eligible households. All required affordable units must be completed on or before the issuance of a certificate of occupancy for the first non-restricted unit.

In the past, the City has allowed single-family subdivisions of 10 or more units to fulfill the City's inclusionary housing requirement by building accessory dwelling units with an affordability deed

restriction. While this policy has resulted in dispersing affordable units throughout the community, enforcement of rent restrictions has proved difficult. After conducting a survey of accessory unit owners in October 2003, the City found that many homeowners did not rent the out the accessory units in accordance with the recorded covenant. The City subsequently changed its policy and no longer allows developers to meet inclusionary housing requirements by building accessory units.

The City will ~~implement~~consider changes in the program to more effectively meet the City's affordable housing goals and grant developers greater flexibility in how they fulfill their inclusionary housing requirement. Changes to be considered may include: establishing an in-lieu fee; modifying the project threshold size and/or minimum inclusionary housing set-aside; targeting a range of lower and moderate income units; allowing attached-unit development in single-family developments; promoting "unit banking"; modifying mid-range density policy to allow increased density when affordable housing is provided; allowing off-site affordable development; and accepting land donations. The City will evaluate how this program may be combined with the City's Density Bonus program (Program 1G above) to maximize affordable housing opportunities. The City ~~also will~~may also consider evaluate expanding the application of inclusionary housing to increase homeownership opportunities for moderate-income households.

Implementing Agency: City of Encinitas Planning Department

Schedule (from Housing Element adoption): Within 12 months

Funding: General Fund

Program 1I: Permit Streamlining

The City currently is engaged in a program to improve the efficiency of the development review process. Elements of the program include upgrading the computerized permitting system, reducing unnecessary paperwork, eliminating certain permit requirements, and establishing an interdepartmental team to quickly resolve problems as they arise. This program will benefit all development projects, including affordable housing.

In addition to the current permit streamlining program, the City will continue its existing policy to expedite permitting procedures for affordable housing projects on a case-by-case basis. This program will emphasize working with non-profit housing developers to better utilize an expedited process, which would include priority plan review and inspection services.

Implementing Agency: City of Encinitas Planning Department

Schedule (from Housing Element adoption): Ongoing

Program 1J: Implement Reduced Parking Standards for Mixed Use and Affordable Housing in Specific Plan Areas

The Downtown Encinitas and the North 101 Corridor Specific Plans contain modified parking standards to encourage mixed-use and affordable housing development. In designated zones in the Specific Plan areas, the City requires no more than two off-street parking spaces for a residential unit in a mixed-use development. Mixed-use units that are guaranteed to be affordable to low or very-low income households

are allowed a reduced, one-space-per-unit parking requirement. The City will continue to apply these existing parking standards in the Downtown Encinitas and North 101 Corridor Specific plan areas.

Implementing Agency: City of Encinitas Planning Department

Schedule (from Housing Element adoption): ongoing

~~Program 1K: Zoning Code Provisions for Multi-Family Residential Use~~

~~The City will continue to review General Plan provisions and zoning code development standards to identify and remove disincentives for the development of multi-family units. Projects proposing to help meet the City's share of the regional need for new housing for the various low-income categories are recommended to be identified by the General Plan as providing a "Significant Public Benefit". Additionally, it should be noted that the state density bonus law provides for concessions/incentives to reduce or waive development standards. Such provisions could apply to multi-family projects, and so potential disincentives can be offset through the density bonus program.~~

~~**Implementing Agency:** City of Encinitas Planning Department~~

~~**Schedule (from Housing Element adoption):** ongoing~~

Program 1KL: Eliminate Separate Lot or Airspace Ownership Requirements in North Highway 101 Specific Plan

Section 3.1.1(A)(4) of the North 101 Corridor Specific Plan requires that "all [new] residential detached and attached dwelling units in residential-only developments must be constructed on a legally subdivided lot or must be subdivided to permit ownership of airspace in the form of a dwelling unit with an undivided share in common elements." While this requirement is appropriate for single-family homeownership projects, it may pose a disincentive to the provision of duplex and multi-family housing by imposing additional cost, processing and development requirements.

The North 101 Corridor Specific Plan will be amended to eliminate the airspace ~~Elimination of this requirement would remove this potential constraint to production of for multi-family housing in the North 101 corridor, while still allowing single-family detached and attached (condominium) ownership opportunities.~~

Implementing Agency: City of Encinitas Planning Department

Schedule (from Housing Element adoption): Within 24 months

Funding: General Fund

Program 1LM: Manufactured Housing

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

Implementing Agency: City of Encinitas Planning Department

Schedule (from Housing Element adoption): Ongoing

Program 1MN: Neighborhood Revitalization Opportunities

A. Neighborhood Revitalization

Under HUD regulations, the City may designate a blighted or declining residential neighborhood as a “Neighborhood Revitalization Area”. This designation enables the City to allocate its HUD funding and other available resources to implement a comprehensive revitalization program, which may include housing rehabilitation, new construction, homeownership opportunities, enhanced code enforcement, and capital improvements. The City will evaluate older neighborhoods to determine if they will benefit from this designation. If appropriate, the City will submit a Neighborhood Revitalization Area plan to HUD for approval.

Implementing Agency: City of Encinitas City Manager’s Office and Planning Department

Schedule (from Housing Element adoption): Within 12 months

Funding: General Fund

Program 1N: Amend Design Review Findings for Residential Projects

The City requires design review approval for most proposed development. Unless exempt, residential projects need to be consistent with the City’s design guidelines and comply with certain regulatory findings before they may be constructed. Among these findings is the requirement that the project “would not tend to cause the surrounding neighborhood to depreciate materially in appearance or value (EMC 23.08.080).” In response to concerns **that such a finding could pose a constraint to housing**, the City will evaluate this design review finding for its potential to be subjectively applied in denying a residential development. **As noted in the Constraints Analysis**, there is no history that a residential project was denied solely on the basis of this finding. Its effectiveness in assuring high quality development is minimal as compared to meeting the other three findings, namely, that a project “1) is consistent with the General Plan, a Specific Plan or the Municipal Code; 2) is substantially consistent with the Design Review Guidelines; [and] 3) would not adversely affect the health, safety, or general welfare of the community... (EMC 23.08.080).” The City will consider alternative language or eliminating this finding altogether for residential projects.

Implementing Agency: City of Encinitas Planning & Building Department

Schedule (from Housing Element adoption): Within 60 months

Funding: General Fund

ENCOURAGE SMART GROWTH AND/OR MIXED USE DEVELOPMENT OPPORTUNITIES

Program 2A: Affordable Housing Overlay Zone

The City conducted an analysis of its land use plan to determine the potential capacity to meet its regional housing needs allocation, especially the quantified objectives for new construction. The analysis shows that the City has capacity to accommodate its regional share. However, a significant portion of the higher-density capacity (15 to 25 du/acre) is in the mixed-use zones along the Coast Highway corridor. This corridor is predominantly built-out with commercial uses and so recycling of these properties to new mixed residential/commercial uses would occur over a long period of time. Recent experience with new mixed-use developments in this corridor suggests approximately 100 new residential units could realistically be built within the Housing Element planning period.

To augment the higher-density capacity of these mixed-use zones and the remaining available multi-family residential sites, the City will ~~consider implementation of~~ establish an Affordable Housing Overlay Zone (AHOZ). The AHOZ would designate ~~certain specific~~ sites for higher residential density, provided that ~~a substantial portion of the additional density is reserved for~~ the affordable housing ~~targets established for each site is met through development. The City will identify appropriate sites and apply the AHOZ designation through a zoning ordinance, General Plan, and Local Coastal Program amendment. Once the AHOZ is in place, The AHOZ will allow~~ builders ~~will be allowed~~ to develop ~~certain designated~~ properties at higher density without having to individually go through a General Plan Amendment or Re-zoning process.

Some potential areas for initial consideration would be:

1. —Older, commercial centers in need of revitalization;
1. 2. —"Smart growth" potential areas, particularly those centering around high levels of transit service;
2. 3. —Areas where existing and planned infrastructure could support in-fill or additional residential development to occur, while maintaining compatibility with surrounding land uses; and
3. 4. —Existing residential areas where vacant or in-fill lots provide potential for additional residential capacity.

Candidate sites identified for the affordable housing overlay zone will be considered for changes to their land use designation and zoning through the public hearing and approval process. Potential re-zones for properties in the Coastal Zone would also be subject to review and approval by the California Coastal Commission. The objective for this program would be to ~~designate enough sites to accommodate the shortfall of projected need~~ create additional opportunities for affordable housing ~~low and very-low income households.~~

Implementing Agency: City of Encinitas Planning Department

Schedule (from Housing Element adoption): Initiate program within 6 months; identify AHOZ sites within first year, complete zoning, General Plan, and Local Coastal Plan amendments within two years.

~~within 6 months~~

Funding Source: General Fund

Program 2B: *Mixed Use ~~Development~~Zoning*

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

The Encinitas Ranch, Downtown Encinitas, and North 101 Corridor Specific Plans include provisions for mixed-use development in commercial districts with densities from the residential portion at 1525 dwelling units per acre.

The City will work to increase developer awareness of the potential for mixed-use development in Encinitas. Within the first year of Housing Element adoption, and on an ongoing basis, the City will coordinate with the main street associations of Downtown Encinitas and North Highway 101 to promote infill mixed-use development in these areas. The City will create an informational hand-out and distribute through these groups and the City's electronic development services newsletter, and will make it available at the development services counter at City Hall as well as the City's website. Additionally, the City will continue to provide technical support to developers proposing mixed-use projects through weekly Staff Advisory Committee (SAC) meetings.

Beginning in the first year of housing program implementation, tThe City will ~~assess the feasibility of propose~~ expanding mixed use zoning provisions in other areas of the city. Efforts will focus on expanding its application to the Cardiff-by-the-Sea Specific Plan area, the North El Camino Real potential Smart Growth Opportunity Area (SGOA), SGOA) and possibly other select non-residential areas identified through the City's economic development strategies program. Properties that are determined appropriate for mixed-use development will have specific zoning and development standards applied to them through the re-zone, and/or General Plan /Local Coastal Plan Amendment process. ~~Efforts should focus on expanding its application to other areas such as the Cardiff by the Sea specific plan area and select non residential corridors.~~ In assessing whether to expand mixed-use zoning, consideration will be given to the historic development pattern of existing areas, to ensure that land use/zoning changes will result in future development that is compatible with the character of established neighborhoods.

Implementing Agency: City of Encinitas Planning Department

Schedule (from Housing Element adoption): Wwithin 12 months

Funding Source: General Fund

Program 2C: Coastal Housing Replacement

State law (G.C. 65590) requires replacement of low and moderate-income housing lost due to conversion or demolition of housing in the Coastal Zone. The replacement requirement is applied to projects of three or more dwelling units (eleven or more if multiple structures) whose occupants are of low or moderate

Emergency Shelter and Transitional Housing

Program 5B: Emergency Shelter

The City will continue to sponsor or assist emergency shelters facilities, inside City limits or outside within a reasonable proximity. The City will encourage or support facilities by providing grants, or low cost loans, to operating agencies. The City will also provide financial assistance to the Community Resource Center (a nonprofit service agency based in Encinitas) for case management, the YMCA-Oz North Coast, Fraternity House, and North County Solutions for Change. The City will assist with winter homeless assistance, either through motel voucher funding or a temporary winter shelter (e. g., Interfaith Shelter network and the Scout Center).

Implementing Agency: City of Encinitas Planning Department

Schedule (from Housing Element adoption): Ongoing

Funding Source: City of Encinitas General Fund, CDBG, Affordable Housing Fund

Program 5C: Transitional Housing

In 2006, the City Council allocated \$450,000 in HOME funds to assist the Encinitas-based nonprofit Community Resource Center (CRC) in its effort to construct a 7-unit transitional housing project on property owned by the CRC. The project is in the feasibility and planning/design stage. Accordingly, this program will be modified as follows:

The City will assist a non-profit organization to develop a ~~continue to explore potential sites for the development of~~ transitional housing project ~~and to sponsor or assist transitional housing facilities, either~~ inside City limits or outside within a reasonable proximity. The City will encourage or support facilities by providing siting opportunities, grants, or low cost loans to operating agencies.

Implementing Agency: City of Encinitas Planning Department

Schedule (from Housing Element adoption): Ongoing Within 24 months

Funding Source: City of Encinitas General Fund, CDBG, HOME, Affordable Housing Fund

Program 5D: Enforcement of Accessible Housing Regulations

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

Implementing Agency: City of Encinitas Planning Department

Schedule (from Housing Element adoption): Ongoing

Program 5 E: Fair Housing

Cities such as Encinitas that receive CDBG and HOME funding are required to certify that they will engage in fair housing planning. This specifically involves: conducting at the beginning of each five-year cycle an analysis of impediments to fair housing choice; carrying out actions to overcome the effects of identified impediments; and maintaining records that provide available information and reports, including the analysis of impediments. The City participated in the preparation of the latest region-wide analysis of impediments, which was published in February 2005.

The City maintains an ongoing commitment to the provision of fair housing in the community. The goal of the City's Fair Housing Plan is to affirmatively further fair housing through specific education outreach and monitoring activities. The City currently contracts with the North County Lifeline (NCL) to provide fair housing and landlord/tenant services to residents in Encinitas. NCL will help mediate and/or assist with filing fair housing complaints. As needed, NCL can arrange testing when unfair practices are suspected.

Implementing Agency: City of Encinitas Planning Department

Schedule: Ongoing

Funding Source: CDBG Fund

MAINTENANCE AND PRESERVATION OF HOUSING

Program 6A: Residential Rehabilitation Program

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

Objective: Rehabilitate 25 units

Implementing Agency: County of San Diego

Schedule (from Housing Element adoption): Ongoing

Funding: City of Encinitas Community Development Block Grant Funds

Program 6B: Conversion of Illegal Units

The City has a number of second dwelling units that were constructed or converted illegally (without required permits) and might not meet City codes. Many of these units provide affordable housing opportunities that might not otherwise be available. In response to this issue, the City developed a program for illegal unit conversion. This program allows homeowners with illegally

established second dwelling units on their property to apply for legalization. It allows the illegal units to exist in perpetuity provided that the units:

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

Implementing Agencies: City of Encinitas Planning Department, Code Enforcement Department

Schedule: Ongoing

FINANCING

Program 7A: Federal and State Financing

The City will facilitate or support the applications of experienced housing developers and homeless providers for financing to develop affordable housing. As part of the City activities associated with this program and Program 7B, the City will meet with potential affordable housing developers, provide site information, assist in the entitlement processes, and consider on a case-by-case other incentives to include, but necessarily limited to, fee waivers and modification of standards. In order to make affordable housing development economically feasible, developers must layer financing from several State and Federal financing sources. Below is a list of the major public financing programs currently available:

- **Low Income Housing Tax Credits**— The CA Tax Credit Allocation Committee provides equity for investment for low-income rental housing projects.
- **Tax-Exempt Mortgage Revenue Bonds**— The CA Debt Limit Allocation Committee provides debt financing for low-income rental housing project through bond financing.
- **Multifamily Housing Program (Proposition 46)**— The CA Housing and Community Development provides debt financing for rental housing projects, with a set-aside for permanent supportive housing.
- **HOME Investment Partnership Program**— The City of Encinitas participates in the County HOME Consortium, which receives entitlement funds from HUD annually.
- **Community Development Block Grant Funds**— The City of Encinitas receives entitlement funds from HUD annually.
- **Project-based Section 8 Housing Choice Vouchers**— The City of Encinitas may allocate up to 20% of its vouchers for project-based assistance.
- **HUD Competitive Grant Funding**— HUD issues a SuperNOFA annually which makes competitive grant funding available for the following programs: Section 202 program for senior housing development projects; Section 811 program for housing development projects serving disabled persons; Supportive Housing Program for transitional and

permanent housing development projects serving homeless persons with disabilities, and, Shelter Plus Care program providing rental assistance and supportive services for homeless persons with disabilities.

- **Housing Opportunities for People with AIDS/HIV**— The County of San Diego receives funds annually from HUD.

Implementing Agency: City of Encinitas Planning Department

Schedule: Periodically throughout the planning period

Program 7B: Local Government Financing

The City will investigate potential local sources that will generate dedicated housing revenue to augment the City's affordable housing trust fund. As part of the City activities associated with this program and Program 7A, the City will meet with potential affordable housing developers, provide site information, assist in the entitlement processes, and consider on a case-by-case other incentives to include, but necessarily limited to, fee waivers and modification of standards. Sources may include an establishment of an inclusionary in-lieu fee ~~(Program 1H)~~ or a coastal replacement/conversion fee ~~(Program 3)~~.

Objective: Identify and develop one or more sources of dedicated housing revenue to augment the City's affordable housing trust fund.

Implementing Agency: City of Encinitas Planning Department

Schedule (from Housing Element adoption): Within 24 months