



DATE: August 13, 2012

TO: Chairperson and Members of the Planning Commission

FROM: Community Development Department/Planning Division

SUBJECT: **GENERAL PLAN AMENDMENT (GPA12-00002) AND LOCAL COASTAL PLAN AMENDMENT (LCPA12-00004) TO UPDATE THE HOUSING ELEMENT OF THE CITY OF OCEANSIDE GENERAL PLAN FOR THE STATE-PREScribed 2013-2020 PLANNING PERIOD – HOUSING ELEMENT UPDATE – APPLICANT: CITY OF OCEANSIDE**

RECOMMENDATION

Staff recommends that the Planning Commission by motion:

- 1) Recommend that the City Council authorize staff to forward the draft Housing Element to the California Department of Housing and Community Development (HCD) for review.

BACKGROUND

Acknowledging the vital role that local governments play in the provision of adequate and affordable housing, state law requires that each city and county in California adopt a housing element as a mandatory component of its general plan.¹ The City's current Housing Element was adopted in 2009, and the 2013 Housing Element update is required under state law to incorporate the new Regional Growth Forecast, Regional Housing Needs Assessment, and other legal requirements. The Housing Element is the only component of the City's General Plan that must be regularly updated on a state-prescribed schedule. This update covers the upcoming 2013-2020 planning period.

State law further requires that all local jurisdictions submit draft and adopted elements to the California Department of Housing and Community Development (HCD) for compliance review. HCD is required to review housing elements and provide written findings regarding compliance with state requirements. A finding of compliance is referred to as

¹ The City's other General Plan elements include: Land Use, Circulation, Recreational Trails, Environmental Resource Management, Community Facilities, Public Safety, Noise, Hazardous Waste Management, and Military Reservation (Camp Pendleton).

Housing Element “certification.” Certification is important for several reasons: to enhance the City’s eligibility for grant funds; to avoid penalties, including a requirement to prepare future updates on a four-year (rather than an eight-year) cycle; and to ensure local control of land use decisions.

HOUSING ELEMENT CONTENT

State housing law requires that housing elements include the following components:

- An assessment of housing needs;
- An inventory of resources (e.g. land, funding, regulatory incentives) relevant to meeting those needs;
- An analysis of governmental and non-governmental constraints to meeting housing needs;
- Goals, quantified objectives, and policies for the maintenance, preservation, improvement and development of housing; and
- A plan of actions to achieve goals and objectives.

State housing law and housing element guidelines published by HCD identify the data sources that localities are to consult in their assessments of current and future housing needs. These data sources include the 2010 U.S. Census, the American Community Survey, the Regional Housing Needs Assessment (RHNA), and the most recent count of the homeless population conducted by the San Diego Regional Task Force on the Homeless. While localities can choose to consider other data sources and forecasts in their assessment of current and future housing needs, the needs assessment component of the housing element is somewhat standardized, with virtually all localities in California defining and assessing local needs as prescribed by state statutes and guidelines.

As with the assessment of local housing needs, the analysis of resources for, and constraints to, the preservation and production of adequate housing is expected to follow a relatively prescribed approach established by state law and HCD guidelines. For example, the analysis of resources must include a parcel-level consideration of vacant and/or underutilized land with the potential to accommodate new housing, while the analysis of constraints must include consideration of local regulations and procedures for the evaluation of new housing development.

Cities have considerable flexibility in establishing and implementing goals, objectives, and policies pertinent to the supply of housing, though it is common for cities to institute similar strategies, as they are bound by the same state and federal requirements, in pursuit of many of the same funding opportunities, and dealing with similar challenges to the quality, diversity, and affordability of housing.

The draft 2013-2020 Housing Element represents a “fine-tuning” process which addresses changes in state law and local conditions, while updating the City’s policies and programs to reflect current needs, resources, and constraints.

KEY ISSUES

Extensive revisions have been made in the Draft Housing Element to reflect new demographic data, the 2013-2020 Regional Housing Needs Assessment, and recent changes in state housing law. These issues are described below.

Regional Housing Needs Assessment (RHNA)

The Regional Housing Needs Assessment (RHNA) is one of the most significant aspects of the Housing Element update process. The RHNA quantifies the anticipated need for new housing within each jurisdiction in the San Diego region for the 11-year period from January 1, 2010 through December 31, 2020. Each jurisdiction must demonstrate how it will address this need by identifying “adequate sites” for new housing development commensurate with the RHNA allocation, with emphasis on the very-low- and low-income categories.

It is important to note that state law establishes the RHNA as a planning target, not a development quota. While cities are required to demonstrate that their land use plans and regulations could accommodate the type and amount of housing identified in the RHNA, the law does not require that sites identified in the Housing Element as suitable for affordable housing be developed for that purpose, or that cities furnish new housing units commensurate with their RHNA targets. The law recognizes that cities do not build housing, and that development depends on many factors including the preferences of private property owners, the interests and capabilities of home builders, the cost and availability of financing, and prevailing market forces.

The new RHNA was adopted by the San Diego Association of Governments (SANDAG) in 2011 after an extensive public review process that involved the 14 cities in the region, the County of San Diego, and other interested parties. The total need for new housing in the San Diego region was determined by HCD in consultation with the California Department of Finance and SANDAG primarily based on the forecasted growth in households over the 11-year RHNA period.³ The household growth forecast was then adjusted using desirable vacancy rates of 2% (owner-occupied) and 5% (renter-occupied) to maintain an adequate level of vacancy to promote housing choice and mobility. An adjustment was also made to account for units expected to be lost due to demolition, natural disaster, or conversion to non-housing uses. All of these factors – household growth, vacancy need, and replacement need – were considered in determining the region’s total construction need. Based on this methodology, HCD assigned to the SANDAG region a total new housing need of 161,980 units. Total housing need is distributed among four income categories on the basis of the county’s income distribution, as follows:

³ Letter of November 23, 2010 from HCD to SANDAG (http://www.hcd.ca.gov/hpd/hrc/plan/he/sandag_5rhna112310.pdf)

Regional Housing Need 2010-2020: SANDAG Region

Very Low*	Low	Moderate	Above Moderate	Total
36,450	27,700	30,610	67,220	161,980
22.5%	17.1%	18.9%	41.5%	100%

Source: HCD, 11/23/2010

*Includes extremely-low households

Under state law, SANDAG is assigned the task of allocating the total regional housing need to individual jurisdictions. This process was led by SANDAG staff through a series of meetings with SANDAG’s technical committees, culminating with the adoption of the final RHNA by the SANDAG Board of Directors on October 28, 2011. Oceanside’s RHNA allocation was determined to be 6,201 units, distributed among household income categories as follows:

Regional Housing Need 2010-2020: City of Oceanside

Very Low*	Low	Moderate	Above Moderate	Total
1,549	1,178	1,090	2,393	6,210
24.9%	19.0%	17.6%	38.5%	100%

Source: SANDAG 2011

*Includes extremely-low households, estimated to be one-half the very-low need (775 units)

The income categories used in the RHNA and Housing Elements are linked to the Areawide Median Income (“AMI”) for San Diego County and are defined in state law as shown in the table below. Many state housing requirements and programs are based on “lower-income” guidelines, which consists of the extremely-low-, very-low- and low-income categories taken together. For example, in all jurisdictions within San Diego County “lower-income” means a household with a total income of no more than \$5,458 per month (\$65,500 per year), adjusted for family size. Using 2011 state and federal definitions, “low-income housing” means an apartment that rents for up to \$1,638 per month (including utilities), or a home with a sales price up to roughly \$250,000, although affordable rents or prices in the very-low- and extremely-low categories are considerably less.

Income Categories and Affordable Housing Costs – San Diego County

2011 County Median Income = \$74,900	Income Limits	Affordable Rent	Affordable Price (est.)
Extremely Low (<30%)	\$24,550	\$614	-
Very Low (31-50%)	\$40,950	\$1,024	-
Low (51-80%)	\$65,500	\$1,638	\$250,000
Moderate (81-120%)	\$89,900	\$2,248	\$340,000
Above moderate (120%+)	>\$89,900	>\$2,248	>\$340,000

Assumptions:

- Based on a family of 4
 - 30% of gross income for rent or PITI
 - 10% down payment, 5% interest, 1.25% taxes & insurance, \$200 HOA dues
- Source: Cal. HCD, 7/13/2011; J.H. Douglas & Associates

Cities must demonstrate in their Housing Elements that their land use plans and zoning regulations provide realistic opportunities for development commensurate with the type and amount of housing need identified in the RHNA for the new planning period. This is accomplished through a parcel-level analysis of vacant and “underutilized” sites with a potential for additional residential development or redevelopment (see Appendix B of the Housing Element). State law provides strict guidance regarding how jurisdictions estimate development potential, with the most important factors being allowable density and development standards.

To demonstrate that the City has adequate sites with realistic capacity for development commensurate with its RHNA share, a parcel-level analysis of potential housing development sites was prepared. The analysis included both vacant sites and underutilized sites where more intense development is permitted, with an emphasis on sites where zoning allows multi-family or mixed-use development at a density of at least 30 units/acre. State law establishes 30 units/acre as a “default density” – i.e., the minimum necessary to facilitate lower-income housing. The parcel-level analysis shows Oceanside’s inventory of potential housing sites to be sufficient to accommodate the City’s 2013-2020 RHNA allocation.

In summary:

- The RHNA identifies each jurisdiction’s fair share of the region’s housing needs;
- The RHNA is a planning target, not a development quota;
- Jurisdictions must demonstrate adequate sites with appropriate zoning and development standards to accommodate the level of new housing development identified in the RHNA;
- The analysis of potential housing development sites (Appendix B) concluded that Oceanside has sufficient sites with appropriate zoning for new residential development to accommodate its RHNA obligation.

In addition to providing an adequate inventory of land resources available for housing development, the Draft Element also proposes several other new policies and programs in response to changes in state law and/or local circumstances.

Emergency Shelters and Transitional/Supportive Housing

An *emergency shelter* is defined as a year-round facility that provides shelter to homeless families and/or individuals on a limited short-term basis, typically six months or less. Senate Bill (SB) 2 of 2007 strengthened the planning requirements for emergency shelters. SB 2 requires that shelters be allowed “by-right” (i.e., without a conditional use permit or other discretionary approval) in at least one zoning district. An amendment to the City’s Zoning Code (Program 11) is proposed to allow shelters by-right in Light Industrial (IL) zones subject to development standards in conformance with SB 2.

SB 2 also requires that *transitional and supportive housing* be treated as a residential use subject only to the same requirements and procedures as other residential uses of the same type in the same zone. In accordance with SB 2,

The 1992 Zoning Code defines “Transitional Housing” as follows: “Transitional housing encompasses both housing and appropriate supportive services for homeless persons designed to enable them to move to independent living within a 24-month period”. Transitional and Supportive Housing is currently permitted in the CN, CG, CL, CS-HO, and CP districts (1992 Code) subject to approval of a conditional use permit. However, transitional and supportive housing is not expressly permitted in residential zones.

In order to comply with state law, Program 11 of the Housing Plan (Chapter V) includes a commitment to amend zoning regulations to allow transitional and supportive housing as a residential use subject to the same standards and procedures that apply to other residential uses of the same type in the same zone.

Accessory Dwelling Units

State law requires that, with limited exceptions, cities must allow accessory dwelling units in single-family residential districts. Program 7 includes a commitment to process a Code amendment to establish appropriate regulations and procedures for reviewing and approving accessory dwelling units. More specifically, current regulations and procedures must be amended to establish that accessory dwelling units in single-family zoning districts are permitted by-right (i.e. without the need for a conditional use permit). To further facilitate the production of accessory dwelling units over the 2013-2020 planning period, staff will ask stakeholders to consider the waiver or reduction of impact fees now assessed on such units. (At present, impact

fees on accessory dwelling units amount to over \$5,500 per unit.) Additionally, staff will ask stakeholders to contemplate more flexible parking standards for accessory dwelling units, including the possibility of waiving current parking requirements for such units when property owners agree to record deed restrictions that require that existing garages be utilized for on-site parking.

Housing for Persons with Special Needs

State law requires that cities periodically review their zoning regulations, development standards and procedures to ensure that they do not pose undue constraints on the provision and use of housing by persons with disabilities or other special needs. The Housing Element proposes Code amendments in the following areas to remove constraints and facilitate the provision of housing for persons and families with special needs:

- Small licensed community care facilities (i.e., 6 or fewer persons, excluding the operator and staff) will be allowed by-right in any residential zone, pursuant to state law (Program 21);
- Agricultural employee housing of up to 12 units or for up to 36 persons must be permitted as an agricultural use in any zone where agriculture is a permitted use (Program 8);
- The Municipal Code definition of “family” will be amended consistent with current law (Program 21); and
- Zoning regulations will be amended to establish a definition and development standards that encourage and facilitate Single Room Occupancy (SRO) housing (Program 21).

NEXT STEPS AND SCHEDULE

Following meetings by the Planning Commission and Housing Commission, staff will be requesting City Council authorization to submit the Draft Housing Element to HCD for review, expected in Fall 2012. Upon the completion of its review, HCD will issue its findings in a letter detailing the specific areas where, in HCD’s opinion, revisions are necessary in order to comply with state law. A revised draft element will then be prepared and submitted to HCD for review, followed by public hearings by the Planning Commission and City Council to consider adoption of the element.

ENVIRONMENTAL ANALYSIS

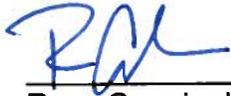
At this stage of the Housing Element update process, staff is presenting a preliminary draft Housing Element for review, comment, and authorization to submit the draft to HCD. During the HCD review period (approximately 60 days), any necessary changes to the element will be identified and draft environmental documentation will be prepared in conformance with the California Environmental Quality Act (CEQA). When the

proposed final Housing Element is presented to the Planning Commission and City Council for review and adoption, the environmental documentation will be considered at the same time. At this time, it is anticipated that environmental review will consist of a negative declaration which establishes that the updated Housing Element will not result in significant environmental impacts.

PUBLIC NOTIFICATION

Legal notice was published in the North County Times and notices were sent to individuals/organizations requesting notification. Additionally, the draft update was posted to the City's website and informational flyers were distributed at various public venues, including City Hall and the Oceanside Farmers Market.

PREPARED BY:



Russ Cunningham
Senior Planner

SUBMITTED BY:



George Buell
Development Services Director

GB/RC/fil



Application for Discretionary Permit

Development Services Department / Planning Division
(760) 435-3520
Oceanside Civic Center 300 North Coast Highway
Oceanside, California 92054-2885

STAFF USE ONLY

ACCEPTED

BY

RECEIVED

FEB 02 2012

CITY OF OCEANSIDE
DEVELOPMENT SERVICES

Please Print or Type All Information

HEARING

PART I - APPLICANT INFORMATION

1. APPLICANT <i>City of Oceanside</i>	2. STATUS <i>Local Agency</i>
3. ADDRESS <i>300 N. Coast Hwy</i>	4. PHONE/FAX/E-mail <i>760-435-3525</i>
5. APPLICANT'S REPRESENTATIVE (or person to be contacted for information during processing) <i>Russ Cunningham, Senior Planner</i>	
6. ADDRESS <i>300 N. Coast Hwy</i>	7. PHONE/FAX/E-mail <i>760-435-3525</i>

<input checked="" type="checkbox"/>	GPA	<i>GPA12-00002</i>
	MASTER/SP.PLAN	
<input checked="" type="checkbox"/>	ZONE CH.	<i>LCPA12-00004</i>
	TENT. MAP	
	PAR. MAP	
	DEV. PL.	
	C.U.P.	
	VARIANCE	
	COASTAL	
	O.H.P.A.C.	

PART II - PROPERTY DESCRIPTION

8. LOCATION <i>Citywide</i>			9. SIZE —
10. GENERAL PLAN —	11. ZONING —	12. LAND USE —	13. ASSESSOR'S PARCEL NUMBER —
14. LATITUDE —		15. LONGITUDE —	

PART III - PROJECT DESCRIPTION

16. GENERAL PROJECT DESCRIPTION
Housing Element Update 2013-2020

17. PROPOSED GENERAL PLAN —	18. PROPOSED ZONING —	19. PROPOSED LAND USE —	20. NO. UNITS —	21. DENSITY —
22. BUILDING SIZE —	23. PARKING SPACES —	24. % LANDSCAPE —	25. % LOT COVERAGE or FAR —	

PART IV - ATTACHMENTS

26. DESCRIPTION/JUSTIFICATION	27. LEGAL DESCRIPTION	28. TITLE REPORT
29. NOTIFICATION MAP & LABELS	30. ENVIRONMENTAL INFO FORM	31. PLOT PLANS
32. FLOOR PLANS AND ELEVATIONS	33. CERTIFICATION OF POSTING	34. OTHER (See attachment for required reports)

PART V - SIGNATURES

SIGNATURES FROM ALL OWNERS OF THE SUBJECT PROPERTY ARE NECESSARY BEFORE THE APPLICATION CAN BE ACCEPTED. IN THE CASE OF PARTNERSHIPS OR CORPORATIONS, THE GENERAL PARTNER OR CORPORATION OFFICER SO AUTHORIZED MAY SIGN. (ATTACH ADDITIONAL PAGAES AS NECESSARY).

35. APPLICANT OR REPRESENTATIVE (Print): <i>Russ Cunningham</i>	36. DATE <i>2/2/12</i>	37. OWNER (Print) —	38. DATE —
Sign: <i>RAC</i>		Sign: —	

• I DECLARE UNDER PENALTY OF PERJURY THAT THE ABOVE INFORMATION IS TRUE AND CORRECT. FURTHER, I UNDERSTANDING THAT SUBMITTING FALSE STATEMENTS OR INFORMATION IN THIS APPLICATION MAY CONSTITUTE FRAUD, PUNISHABLE IN CIVIL AND CRIMINAL PROCEEDINGS.

• I HAVE READ AND AGREE TO ABIDE BY THE CITY OF OCEANSIDE DEVELOPMENT SERVICES DEPARTMENT AND ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT POLICY NO. 2011-01/POLICY AND PROCEDURE FOR DEVELOPMENT DEPOSIT ACCOUNT ADMINISTRATION.