



DATE: September 19, 2012

TO: Honorable Mayor and Members of the City Council

FROM: Development Services Department/Planning Division

SUBJECT: **AUTHORIZATION TO SUBMIT A DRAFT HOUSING ELEMENT UPDATE FOR THE FIFTH HOUSING ELEMENT CYCLE FOR INITIAL CERTIFICATION REVIEW BY THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT – APPLICANT: CITY OF OCEANSIDE**

SYNOPSIS

The item under consideration is a draft update of the City's Housing Element for the Fifth Housing Element Cycle for the San Diego region, encompassing an eight-year planning period that extends from January 1, 2013, to December 31, 2020. City staff recommends that the City Council adopt a resolution authorizing staff to submit the draft update for initial 60-day certification review by the California Department of Housing and Community Development (HCD). Following response to HCD comment, the draft update would return to the City Council for adoption prior to final HCD certification.

BACKGROUND

On October 28, 2011, concurrent with its adoption of the 2050 Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS), the SANDAG Board of Directors approved the Regional Housing Needs Assessment (RHNA) Plan for the Fifth Housing Element Cycle, which assigns to the City of Oceanside a regional fair share allocation of 6,210 new dwelling units for the state-prescribed 11-year projection period that extends from January 1, 2010, to December 31, 2020. The City's RHNA allocation is delineated by income category, as follows:

**City of Oceanside
RHNA Allocation by Income Category (2010–2020)**

Very Low	Low	Moderate	Above Moderate	Total
1,549	1,178	1,090	2,393	6,210

Under state housing law, it is the City's obligation to demonstrate that it has adequate land resources to accommodate the development of the above-enumerated dwelling units during the 11-year projection period. Compliance with this state requirement is primarily achieved through the preparation of a housing sites inventory in conjunction with the updating of the City's Housing Element.

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In accordance with state housing law, the adoption of the RHNA Plan initiated an 18-month period – culminating on April 27, 2013 – within which all local jurisdictions in the San Diego region must adopt updates to their respective housing elements. Following local adoption, updated housing elements must be submitted to HCD for certification.

In the spring of 2011, in anticipation of the culmination of the RHNA process, City staff in Development Services and Neighborhood Services vetted three proposals for consulting services in support of a Housing Element update and selected J.H. Douglas and Associates to assist with this project. J.H. Douglas and Associates was brought under contract in July 2011, at which time the update process formally began.

In June 2012, City staff convened an ad hoc committee comprised of members of the Housing and Planning Commissions to evaluate an initial draft update of the City's Housing Element. Comments received by the ad hoc committee resulted in minor modifications of the draft update.

In August 2012, the draft update was evaluated in separate public workshops conducted by the Housing and Planning Commissions. In advance of these two public workshops, the draft update was distributed to key stakeholders and posted to the City's website. Additionally, public outreach brochures in English and Spanish were distributed at various public venues, including City Hall and the Oceanside Farmers Market.

PROJECT DESCRIPTION

The proposed project involves a comprehensive update of the City's Housing Element, the current iteration of which was adopted by the City Council on June 17, 2009. The draft update includes a housing needs assessment, an analysis of constraints to housing development, a housing sites inventory, an outline of goals, policies, and objectives related to the preservation and enhancement of the City's housing stock, a housing action plan, and an evaluation of the City's progress in implementing the current Housing Element. Additional information regarding the content of the draft update is provided in the staff report prepared for recent study sessions conducted by the Housing and Planning Commissions, which is appended to this staff report as Attachment 2. The draft update itself is available under the "Planning Policy Projects" link on the City's website.

ANALYSIS

Relative to other components of the City's General Plan (e.g., Land Use Element, Circulation Element), the Housing Element is subject to more explicit state standards, with respect to both the content of the document and the schedule on which it is to be updated. Government Code Section 65583, *et seq* specifies how local jurisdictions are to go about assessing their current and future housing needs, what they are to consider in their analysis of potential and actual constraints to the maintenance, improvement, or development of housing, and what they are to consider in their identification of potential resources available for preserving and augmenting the local housing stock. State housing law further directs local jurisdictions in the types of programs they should consider implementing in the service of their respective housing goals, policies, and

objectives. HCD certification is highly contingent upon the extent to which the City's Housing Element follows the dictates of state housing law and demonstrates the City's intent to "contribute to the attainment of the state housing goal" as determined by the RHNA and other indicators of regional housing need.

The draft update has been prepared in accordance with state housing law and with close attention to state guidelines provided by HCD in its on-line publication "Building Blocks for Effective Housing Elements." It is staff's position that the draft update meets the City's legal requirements and provides both a policy framework and action plan that facilitate new housing growth and the maintenance of the City's existing housing stock commensurate with the City's projected housing needs during the state-prescribed 2013–2020 planning period.

Several action items specified in the draft update involve zoning text amendments and Local Coastal Program amendments (e.g., changes to emergency shelter zoning; revised standards for farmworker housing, accessory dwelling units, and transitional/supportive housing; provisions for reasonable accommodation). Processed either concurrent with or immediately following the adoption and certification of the updated Housing Element, each of these amendments will be subject to further City Council review and approval.

FISCAL IMPACT

Implementation of several programs involving changes to zoning standards and other housing-related regulations is expected to require approximately 33 percent (33%) FTE of a senior or principal level planner, plus ancillary expenditures, in the year following adoption of the update, for a projected cost of about \$45,000.

COMMISSION OR COMMITTEE REPORTS

The Planning Commission reviewed the project in a study session held on August 13, 2012. The Commission expressed support for the recommendation of the Housing Element Ad Hoc Committee to designate Light Industrial (IL/M-1) zones as those where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit, in response to a recent state requirement that localities identify at least one zoning district for this purpose. The Commission asked that requirements for separate water metering for both multifamily and single-family attached housing be incorporated into that portion of the Housing Element that speaks to energy conservation in residential development. Staff is currently reviewing the City's Water Conservation Plan to determine the extent of current requirements for separate water metering. One Commissioner voiced concern about land use and development standards for accessory dwelling units, advocating for standards that ensure that such units are compatible with neighborhood character. In accordance with Program 7 of the draft update, staff will bring forward revised standards for accessory dwelling units for City Council review within the next year.

The Housing Commission reviewed the draft update in a study session held on August 14, 2012. The Commission recommended that the City revise its inclusionary housing standards to remove language that implies that developers can meet inclusionary requirements through the provision of units affordable to moderate-income households. Staff intends to include this proposed change in its forthcoming recommendations for new inclusionary housing standards for proposals to exceed the City's base density allowances. Public comment was provided by the San Diego Housing Federation, which called on the City to protect its current stock of income-restricted units, provide greater flexibility for accessory dwelling units, and designate vacant property in the vicinity of the Crouch Street Sprinter Station for affordable housing.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

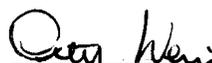
City staff recommends that the City Council adopt a resolution authorizing staff to submit the draft update to HCD for initial 60-day review, with the understanding that the updated Housing Element will return to the City Council for formal adoption in the spring of 2013.

PREPARED BY



Russ Cunningham
Senior Planner

SUBMITTED BY



Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

George Buell, Development Services Director

John Helmer, Interim City Planner



1 WHEREAS, on September 19, 2012, the City Council held a duly-noticed public
2 hearing and heard and considered written evidence and oral testimony by all interested parties
3 on the draft update of the City's Housing Element;

4 WHEREAS, the Planning Division will review the proposed project for compliance with
5 the California Environmental Quality Act (CEQA) following receipt of initial comments on the
6 draft update from the California Department of Housing and Community Development; and
7

8 WHEREAS, based on such evidence and testimony, including but not limited to the report
9 and attachments provided by the Planning Division, the City Council finds as follows:

- 10 1. The draft update of the City's Housing Element is consistent with state housing law, in
11 that it includes all mandatory housing element components as prescribed in Government
12 Code Section 65580, *et seq.*
- 13 2. The draft update of the City's Housing Element demonstrates that the City has adequate
14 land resources under appropriate zoning to accommodate its regional fair share of
15 housing growth for the 2013–2020 planning period.

16 NOW, THEREFORE, BE IT RESOLVED that the City Council does hereby authorize
17 the Planning Division to submit the draft update of the City's Housing Element for the Fifth
18 Housing Element Cycle to the California Department of Housing and Community Development
19 for initial certification review.

20 PASSED AND ADOPTED by the City Council of the City of Oceanside, California,
21 this 19th day of September 2012, by the following vote:

22 AYES:

23 NAYS:

24 ABSENT:

25 ABSTAIN:

26
27 ATTEST:

28 _____
CITY CLERK

MAYOR OF THE CITY OF OCEANSIDE

APPROVED AS TO FORM:

Burton Hamilton, ASST.

CITY ATTORNEY

MEMORANDUM

DATE: September 19, 2012
TO: Honorable Mayor and Councilmembers
FROM: Patricia Allison, City Manager's Office
SUBJECT: AVAILABILITY OF DOCUMENTS FOR REVIEW

Due to its size, the Draft Housing Element Update is not included in the agenda packet but is available for review in the City Manager's Office or online at:

<http://www.ci.oceanside.ca.us/gov/council/agenda.asp>

or

<http://www.ci.oceanside.ca.us/gov/dev/planning/policyprojects.asp>