

STAFF REPORT**CITY OF OCEANSIDE**

DATE: February 26, 2013

TO: Chairperson and Members of the Housing Commission

FROM: Community Development Department/Planning Division

SUBJECT: **GENERAL PLAN AMENDMENT (GPA12-00002) 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 Housing Commission by motion:

- 1) Recommend that the City Council adopt the draft 2013-2020 Housing Element as revised in response to comments from to the California Department of Housing and Community Development (HCD); and
- 2) Recommend that the City Council authorize the City Manager to approve subsequent technical revisions to the Housing Element deemed necessary to achieve state certification.

BACKGROUND

Government Code Section 65588(e)(2)(B) mandates that all local governments within the jurisdiction of the San Diego Association of Governments (SANDAG) adopt updates of their respective housing elements no later than April 30, 2013. Local governments that adopt updated housing elements within 120 days of this deadline will not be required to adopt another update for eight years (i.e., until 2020); those local governments that fail to update their housing elements within this grace period will be subject to a four-year update cycle.

An initial draft of the City's 2013-2020 Housing Element was reviewed by the Planning Commission on August 13, 2012, the Housing Commission on August 14, 2012, and the City Council on September 19, 2012, at which time the City Council authorized staff to submit the draft document for HCD certification review. On November 21, 2012, HCD staff provided comments on the draft element (Attachment 1). Staff responded to these

comments and furnished HCD with a revised draft on January 30, 2013. Under state law, HCD has 60 days to review this revised draft and make the City aware of any additional revisions necessary to achieve compliance with state housing law.

PROJECTION DESCRIPTION

Response to HCD comment is summarized in Attachment 2. The proposed changes address HCD concerns about the City's capacity for new housing relative to its fair share of regional housing growth, regulatory constraints to housing development, the suitability of light industrial zones for permanent emergency shelters, and the potential of income-restricted units converting to market-rate status. While some of these revisions reflect recently-adopted changes to inclusionary housing and zoning regulations, none would occasion changes to current land use policy or zoning standards that have not already been subject to public review.

ANALYSIS

With respect to proposed changes to the housing sites inventory, staff has added to the inventory a number of non-vacant sites within high-density residential zones that have the potential to accommodate more dwelling units. For example, many properties in the Eastside Capistrano neighborhood that now accommodate single-family homes have been identified as being likely to redevelop in the foreseeable future with attached housing at densities up to 29 dwelling units per acre. Similar properties in R-3 and R-T zones straddling both sides of the San Diego Northern Railway have been identified as being likely to redevelop with attached housing at densities up to 43 dwelling units per acre. In accordance with state housing law and HCD guidelines, such "underutilized" properties can be included in a housing sites inventory to demonstrate that a local jurisdiction has the capacity to provide its fair share of regional demand for affordable housing.

The housing sites inventory has been further augmented with over 70 vacant properties able to accommodate future demand for moderate and above moderate income housing. Broadly distributed throughout the City, these properties include entitled sites (e.g. St. Cloud and Marisol subdivisions) as well as sites where market-rate housing projects have been proposed (e.g. Terraza condominiums).

In response to HCD concerns about the extent to which CUP requirements hinder the development of affordable housing, further analysis of the City's entitlement review process has been incorporated into the draft update. As noted in the revised update, recent changes to General Plan policies and zoning standards associated with inclusionary housing – reviewed by the Planning Commission on December 10, 2012 and adopted by the City Council on January 16, 2013 – are expected to address many of the HCD's concerns about the City's entitlement review process.

As discussed at previous public hearings on the draft update, the City's light industrial zones have been identified as the most appropriate areas for permanent emergency

shelters, which, in accordance with state law, must be permitted by-right in at least one zoning district within the City. The revised update includes additional analysis of the suitability of the City light industrial zones for permanent emergency shelters.

A key consideration of HCD in its evaluation of housing element compliance is the preservation of existing income-restricted units. The revised update includes additional information regarding existing income-restricted units at-risk of converting to market-rate status, consistent with data from the California Housing Partnership Corporation (CHPC). Program 28 outlines strategies for preserving the affordability of such units.

Staff is prepared to discuss these issues in further detail at the public hearing, as warranted.

NEXT STEPS AND SCHEDULE

The City Council is tentatively scheduled to consider formal adoption of the 2013-2020 Housing Element on April 17, 2013. It is anticipated that staff will have received and responded to HCD comment on the second iteration of the draft update prior to this public hearing. While it is possible that HCD will find the current draft update in compliance with state law (and provide formal correspondence to this effect by the end of March), it is more likely that HCD will have additional comments on the document. Assuming these comments are no more substantive than those received on the initial draft last November, staff will ask the City Council to authorize the City Manager to approve any subsequent changes to the draft update considered to be technical in nature but necessary to achieve state certification. If, however, forthcoming HCD comments call for significant changes to housing policy and/or zoning standards, subsequent changes to the update will return to the Planning Commission, Housing Commission, and City Council for further review and approval.

To keep stakeholders apprised of subsequent changes to the draft update, staff will continue to post future iterations to the City's website. Staff also encourages stakeholders to contact the Planning Division via telephone or email to ask questions, express concerns, and/or share ideas

ENVIRONMENTAL ANALYSIS

A draft Initial Study/Negative Declaration (IS/ND) was prepared and posted for public review on the City's website. The IS/ND concludes that the proposed updates to the Housing Element would not have a significant effect on the environment. At the time of report preparation, no comments had been received on the IS/ND.

PUBLIC NOTIFICATION

Legal notice of this public hearing was published in the North County Times and notices were sent to individuals/organizations requesting notification. In advance of the first round of public hearings on the update, a draft of the update was posted to the City's

website and informational flyers were distributed at various public venues, including City Hall, City resource centers, and the Oceanside Farmers Market.

PREPARED BY:

SUBMITTED BY:

Russ Cunningham
Senior Planner

Marisa Lundstedt
City Planner

Attachments

1. HCD review letter dated November 21, 2012
2. Summary of HCD Comments and Responses
3. Initial Study/Negative Declaration (City Website)
4. Revised Draft 2013-2020 Housing Element (City Website)

GB/RC/fil

ATTACHMENT 1

(insert HCD letter)

ATTACHMENT 2

**HCD Housing Element Comments and Responses
City of Oceanside
January 2013**

HCD Comment*	Housing Element Page Reference (revised draft)	Response
A. Housing Needs, Resources and Constraints		
Carryover from the 4 th Cycle	Appendix B	The analysis of potential housing development sites has been expanded to describe how adequate capacity to accommodate the RHNA was available in the previous planning period, resulting in no carryover of unaccommodated need.
Realistic Capacity	IV-1 IV-13 V-5&6 B-10 through B-24	The sites inventory (Appendix B) has been expanded to provide additional analysis regarding development regulations and the realistic capacity of sites. In addition, Program 5 has been revised to describe recent and proposed amendments to the Zoning Ordinance and General Plan Land Use Element that reduce constraints and provide stronger incentives for affordable multi-family housing production.
Zoning for Lower-Income Households	IV-1, IV-5, IV-13 V-5	The previous Housing Element, which was found in compliance by HCD, identified a density of 29 units/acre as suitable for lower-income housing (see Program 9). Additional analysis as well as commitments in Program 5 have also been included to address the default density issue.
Suitability of Non-Vacant Sites	Table B-9	Appendix B has been revised and expanded to describe existing uses and other factors that affect potential redevelopment of underutilized commercial sites.
Emergency Shelters	IV-11 V-9	Program 11 includes the City's intent to amend zoning regulations for the Limited Industrial (IL) zone to allow emergency shelters by right. Additional information has been provided to demonstrate the suitability of the IL zone to accommodate shelters.
Processing and Permit Procedures	IV-1 IV-13	Additional analysis has been provided regarding permit procedures and decision-making criteria for multi-family development. Program 5 has also

HCD Comment*	Housing Element Page Reference (revised draft)	Response
	IV-26 V-5	been expanded to describe recently-adopted Code amendments that eliminate the CUP requirement for multi-family projects that provide for affordable housing without recourse to the inclusionary housing in-lieu fee. Such projects continue to require Development Plan review, which focuses on conformance with development standards rather than examining the appropriateness of the use itself. Program 5 also includes a commitment to eliminate the CUP requirement for projects with 20+ units.
B. Housing Programs Program 5	V-5	Program 5 has been expanded to include specific objectives and timeframes for the program components.
Adequate sites CUP for MF housing	V-6	This comment is addressed under the items discussed above. The CUP requirement for multi-family residential projects that exceed base density in residential zones has been eliminated in favor of a Development Plan (see Program 5). In addition, Program 5 now includes a commitment to initiate a Code amendment to eliminate the CUP requirement for projects with 20+ units.
At-risk units	II-28	The analysis of units at risk of conversion has been updated based on CHPC data.

* HCD letter of November 21, 2012

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PLANNING COMMISSION
RESOLUTION NO. 2013-P

A RESOLUTION OF THE PLANNING COMMISSION OF
THE CITY OF OCEANSIDE RECOMMENDING
ADOPTION OF THE 2013-2020 HOUSING ELEMENT

APPLICATION NO: GPA12-0000
APPLICANT: City of Oceanside
LOCATION: Citywide

THE PLANNING COMMISSION OF THE CITY OF OCEANSIDE, CALIFORNIA DOES
RESOLVE AS FOLLOWS:

WHEREAS, there was filed with this Commission a verified petition on the forms prescribed by the Commission requesting a General Plan Amendment under the provisions of Articles 45 of the Zoning Ordinance of the City of Oceanside for the following:

An update of the Housing Element of the City's General Plan for the 2013-2020 planning period, as prescribed by state law. The Housing Element outlines the City's goals, objectives, and policies for the preservation and expansion of the City's housing inventory. The Housing Element must be deemed in compliance with state housing law by the California Housing and Community Development Department (HCD).

WHEREAS, the Planning Commission reviewed a previous iteration of the update on August 13, 2012 and voted to recommend that this iteration be forwarded to HCD for initial certification review;

WHEREAS, the Planning Commission, after giving the required notice, did on the 25th day of February, 2013 conduct a duly advertised public hearing as prescribed by law to consider said application;

WHEREAS, pursuant to the California Environmental Act of 1970, the Planning Commission finds that a Negative Declaration has been prepared in conformance with the California Environmental Quality Act (CEQA); and

WHEREAS, the Planning Commission reviewed and considered information in this document prior to making a decision on the project; and

1 WHEREAS, the documents and other material constituting the record of proceedings
2 upon which the decision is based will be maintained by the City of Oceanside Planning
3 Division, 300 North Coast Highway, Oceanside, California 92054; and

4 WHEREAS, studies and investigations made by this Commission and in its behalf reveal
5 the following facts:

6 FINDINGS:

7 For the General Plan Amendment:

- 8 1. The proposed update to the City's Housing Element will guide the City's efforts to
9 preserve and expand its housing inventory for residents of all income levels as well as
10 members of special needs populations (e.g. seniors, disabled persons, female-headed
11 households). The updated Housing Element would be compatible with all other elements
12 of the General Plan, including the Land Use Element and the Circulation Element.
- 13 2. Future housing development would be required to conform to the updated Housing
14 Element and would undergo discretionary and environmental review as appropriate.
- 15 3. The updated Housing Element is a requirement of state housing law, as expressed in
16 Government Code Section 65580, *et seq.* As proposed, the updated Housing Element
17 contains all required components thereof, as prescribed by state housing law.

18 NOW, THEREFORE, BE IT RESOLVED that the Planning Commission does hereby recommend
19 adoption of the 2013-2020 Housing Element, as General Plan Amendment (GPA12-00002), and
20 the associated Negative Declaration:

21 PASSED by the following vote, to wit:

22 AYES:

23 NAYS:

24 ABSENT:

25 ABSTAIN:

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PASSED AND ADOPTED Resolution No. 2013-P on February 25, 2013.

Tom Rosales, Chair
Oceanside Planning Commission

ATTEST:

Marisa Lundstedt, Secretary

I, MARISA LUNDSTEDT, Secretary of the Oceanside Planning Commission, hereby certify that this is a true and correct copy of Resolution No. 2013-P .

Dated: February 25, 2013