

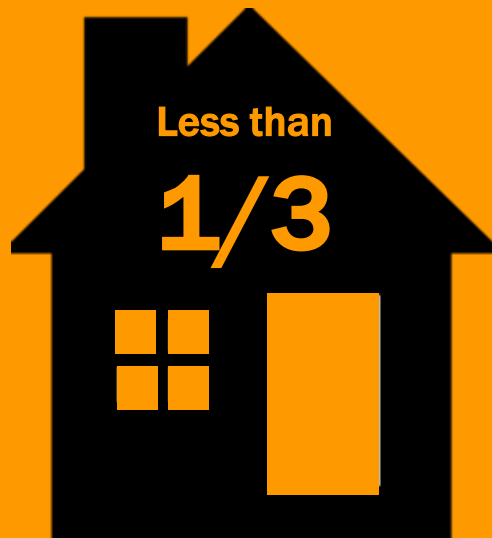
# COUNTY OF SAN DIEGO HOUSING AFFORDABILITY



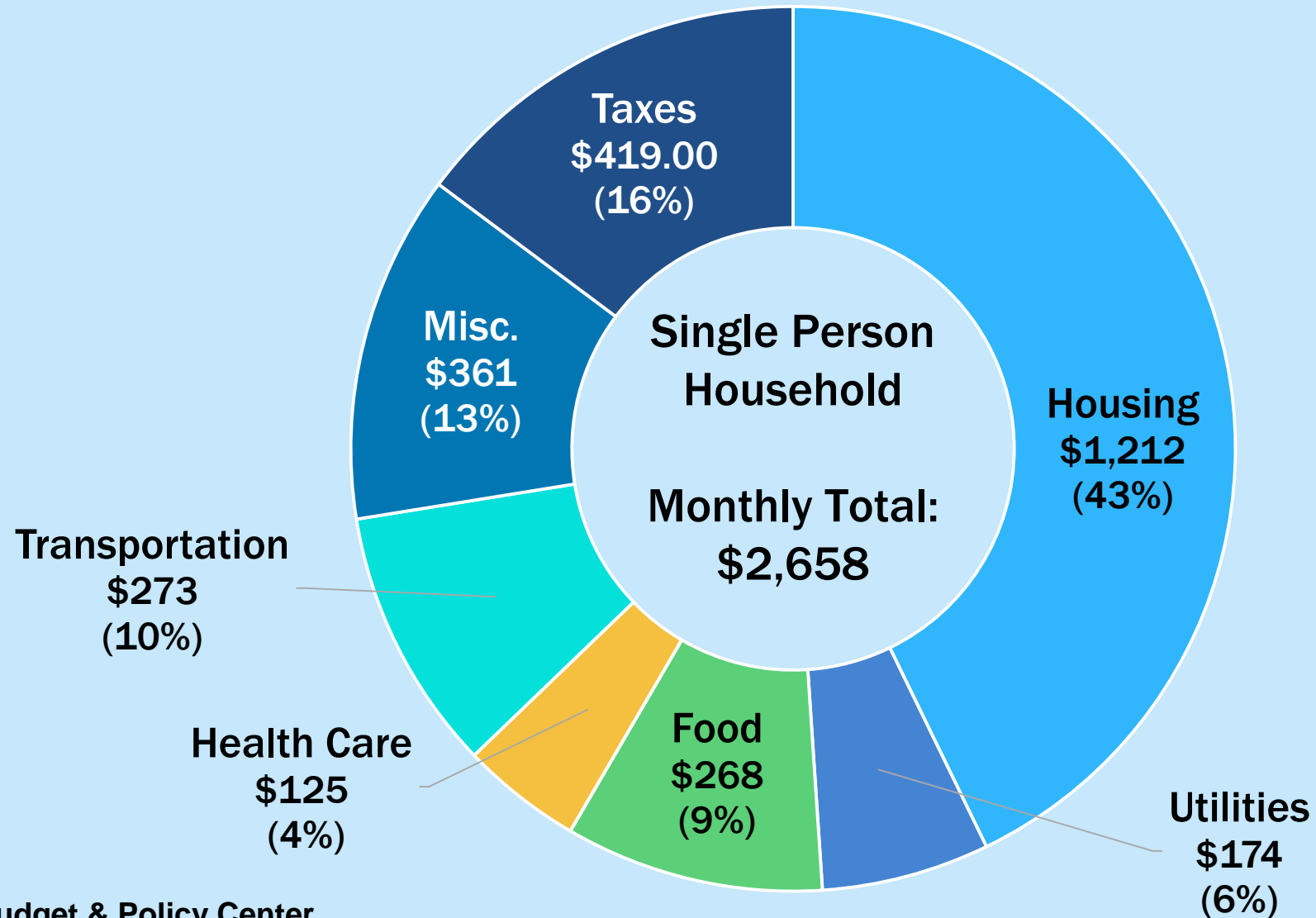
PLANNING COMMISSION  
AUGUST 3, 2018

# HOUSING AFFORDABILITY

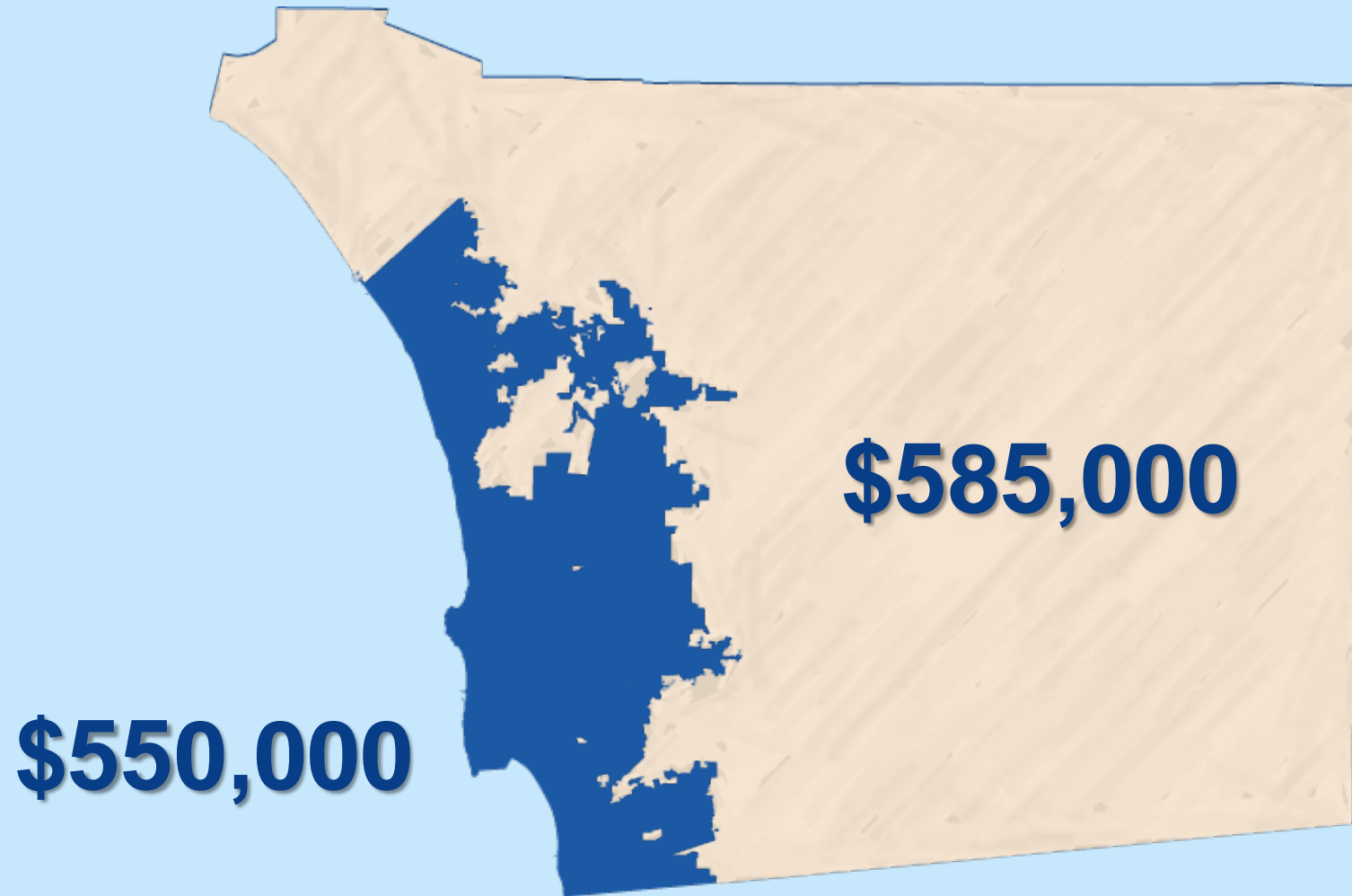
**1** in **2** Households in County  
Spend More than **1/3<sup>rd</sup>** of  
Income on Housing



# SAN DIEGO COUNTY MONTHLY HOUSEHOLD BUDGET



# MEDIAN PRICE OF A HOME (2017)



# Estimated Home Value

\$1.1M+



< \$175 K

# Estimated Home Value

\$1.1M+



< \$175 K

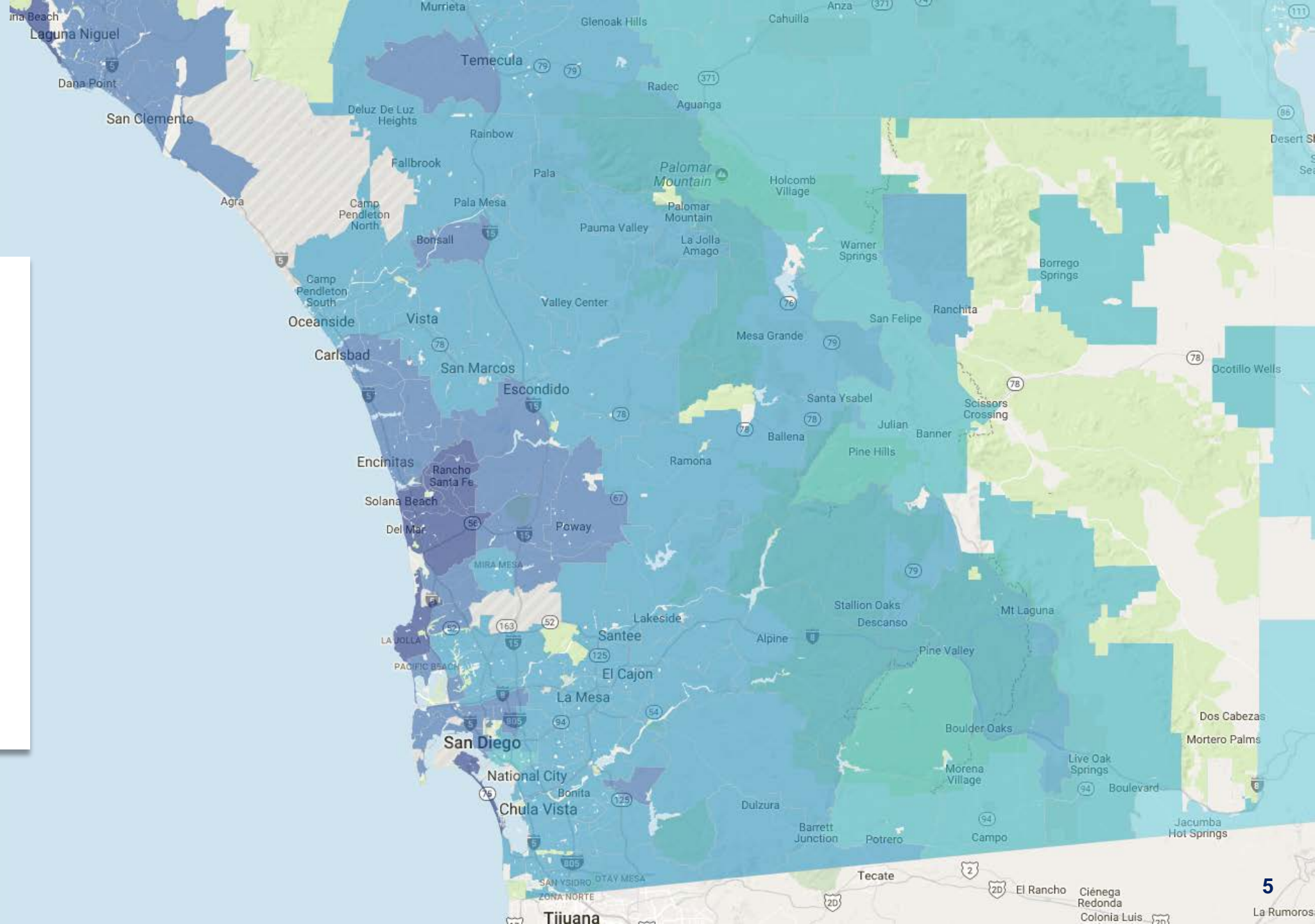


# Estimated Home Value

\$1.1M+



< \$175 K



# \$323,698

HOUSEHOLD WITH AMI OF \$81,800 CAN ONLY AFFORD?



**\$50,000**

Down Payment



**\$0**

Monthly Debt



**35%**

Debt/Income  
Ratio



**6.5%**

30 Year Fixed



**\$200**

Monthly HOA

Income needed to afford median priced home  
of \$585,000?

$$\text{\$154,000} - \text{\$81,800} = \text{\$72,200}$$

To afford

$$\text{\$585,000} - \text{\$323,698} = \text{\$261,302}$$

# FACTORS IMPACTING HOUSING AFFORDABILITY

- ✓ **Availability of Land**
- ✓ **Land Costs**
- ✓ **Development Opposition**
- ✓ **Permit Process & State Regulatory Requirements**
- ✓ **Costs of Housing**
- ✓ **Labor and Construction Costs**



# HOUSING AFFORDABILITY IMPACTS

## ➤ Overcrowding



## ➤ Homeownership Rates



## ➤ Commute Times

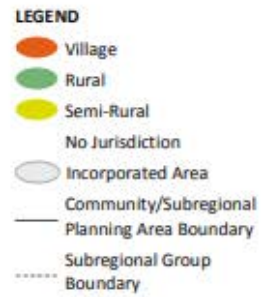
**1** in **5** of our workers  
live outside region

## ➤ Loss of Jobs



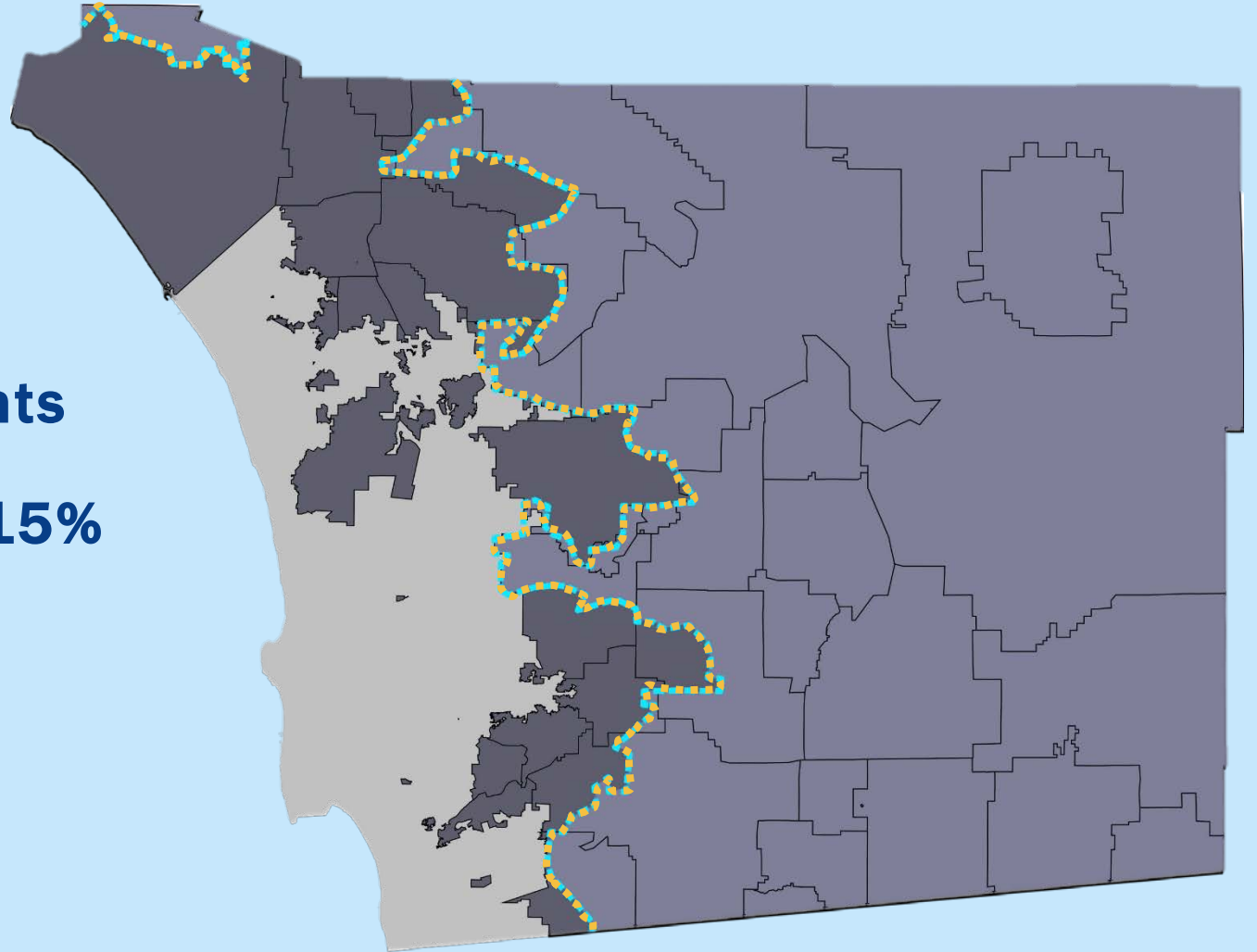
# GENERAL PLAN

## GENERAL PLAN REGIONAL CATEGORIES MAP



# GENERAL PLAN CAPACITY

- **230,000 existing and future homes**
- **About 20% or 700,000 residents**
- **Reduced housing capacity by 15%**
- **Shifted 20% future growth**
- **80% within County Water Authority**



# GENERAL PLAN GOALS & POLICIES

<u>Goals</u>	<u>Policies</u>
<b>GOAL LU-3</b> Diversity of Residential Neighborhoods	LU-3.1 Diversity of Residential Designations and Building Types LU-3.2 Mix of Housing Units in Large Projects
<b>GOAL LU-9</b> Distinct Villages and Community Cores	LU-9.12 Achieving Planned Densities in Villages
<b>GOAL LU-12</b> Infrastructure & Services Supporting Development	LU-12.1 Concurrency of Infrastructure and Services with Development

# GENERAL PLAN GOALS & POLICIES

<u>Goals</u>	<u>Policies</u>
<b>GOAL H-1</b> <b>Housing Development &amp; Variety</b>	<b>H-1.1</b> Sites Inventory for Regional Housing Needs Assessment <b>H-1.2</b> Development Intensity Relative to Permitted Density <b>H-1.3</b> Housing Near Public Services <b>H-1.4</b> Special Needs Housing Near Complementary Uses <b>H-1.5</b> Senior and Affordable Housing Near Shopping and Services <b>H-1.6</b> Land for All Housing Types Provided in Villages <b>H-1.7</b> Mix of Residential Development Types in Villages <b>H-1.8</b> Variety of Lot Sizes in Large-Scale Residential Development <b>H-1.9</b> Affordable Housing Through General Plan Amendments
<b>GOAL M-10</b> <b>Parking for Community Needs</b>	<b>M-10.4</b> Shared Parking <b>M-10.5</b> Reduced Parking

# GENERAL PLAN GOALS & POLICIES

## Goals

## Policies

### GOAL H-3

Housing Affordability for All  
Economic Segments

H-3.1 Federal Funding to Expand Affordable Housing

H-3.2 Equitable Share of Federal Funding

H-3.3 Density Bonus as a Means to Develop Affordable Housing

H-3.4 Housing for Moderate-Income Families in Villages

H-3.5 Incentives for Developments with Lower-Income Housing

H-3.6 Housing for Special Needs Populations

H-3.7 Alternative Affordable Housing Options

H-3.8 Housing Services Support

### GOAL H-5

Constraints on Housing  
Development

H-5.1 Period Review of Housing Regulations

H-5.2 Permit Processing Times

H-5.4 Flexibility In Regulations

# AFFORDABLE HOUSING



# AFFORDABLE HOUSING - STATE INCOME LIMITS

**2018 – AMI \$81,800**

Affordable Housing	Income Category	AMI Percent	Income	Sale Price
	Extremely Low	0 to 30%	\$29,200	\$70,000
	Very Low	30% to 50%	\$48,650	\$130,000
	Low	50% to 80%	\$77,850	\$225,600
	Moderate	80% to 120%	\$98,150	\$289,600
	Above Moderate*	Above 120%	\$106,340	\$315,900
	Middle Income Housing*	150%	\$122,700	\$370,100
*Not Income Limit Category				

**2017 Median Household Cost: \$585,000**

# HOUSING AND COMMUNITY DEVELOPMENT SERVICES

## Affordable Housing Programs:

### \$25 Million Innovative Housing Trust Fund

- Construction, acquisition, and/or rehabilitation of multi-family housing
- Extremely-low to moderate income households

### Excess Property

- Development of affordable housing
- Eleven sites were identified
- Two sites currently in Request for Proposal (RFP) process

### Innovation Fund

- Feasibility studies and planning activities
- Development of a region-wide solution

# HOUSING AND COMMUNITY DEVELOPMENT SERVICES

## HUD & State Programs:

### HOME Investment Partnership

- Low-interest loans to nonprofit and for-profit developers
- Property acquisitions and rehabilitations, site improvements, and new construction

### Community Development Block Grants (CDBG)

- Acquisition and rehabilitation of affordable housing

### Project Based Vouchers (PVB)

- Target special needs populations and distributed in limited numbers
- Can only be used at certain housing complexes

### Housing Opportunities for Persons with AIDs (HOPWA)

- New construction and the acquisition and rehabilitation of affordable housing

### No Place Like Home

- Permanent supportive housing
- Persons needing mental health services and are experiencing homelessness

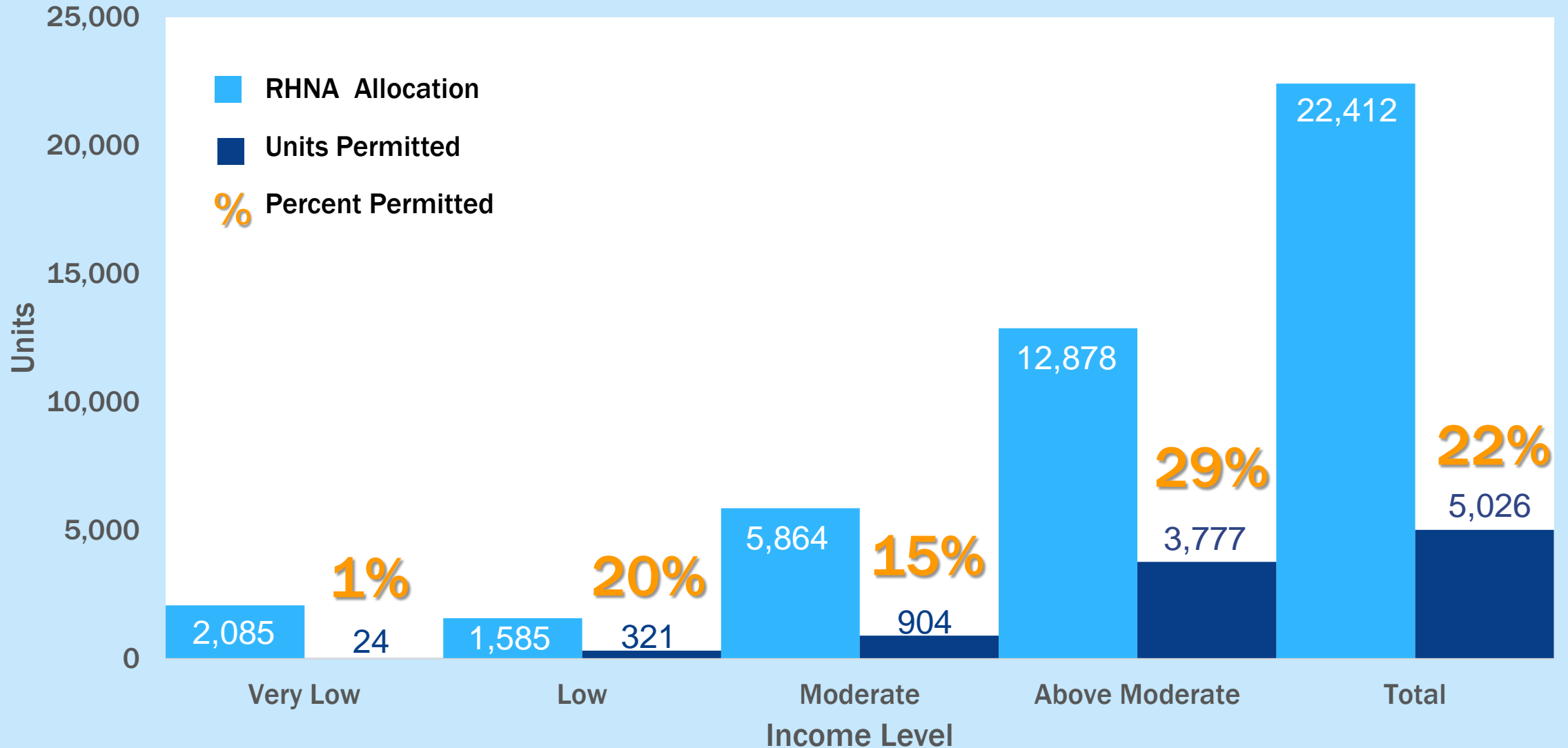
# REGIONAL HOUSING NEEDS ASSESSMENT

Income Category	AMI Percent	RHNA Allocation
Extremely Low	0 to 30%	1,042 Units
Very Low	31% to 50%	1,043 Units
Low	51% to 80%	1,585 Units
Moderate	80% to 120%	5,864 Units
Above Moderate*	Above 120%	12,878 Units
TOTAL		22,412 Units

# COUNTY OF SAN DIEGO HOUSING ELEMENT

<u>Income Category</u>	<u>Densities</u>
<b>Very Low</b>	<b>24</b> to <b>30</b> Dwelling Units/Acre
<b>Low</b>	<b>20</b> to <b>30</b> Dwelling Units/Acre
<b>Moderate</b>	<b>10.9</b> to <b>15</b> Dwelling Units/Acre
<b>Above Moderate</b>	<b>Less</b> than <b>7.3</b> Dwelling Units/Acre

# HOUSING PRODUCTION BY INCOME LEVEL (2010 – 2020)

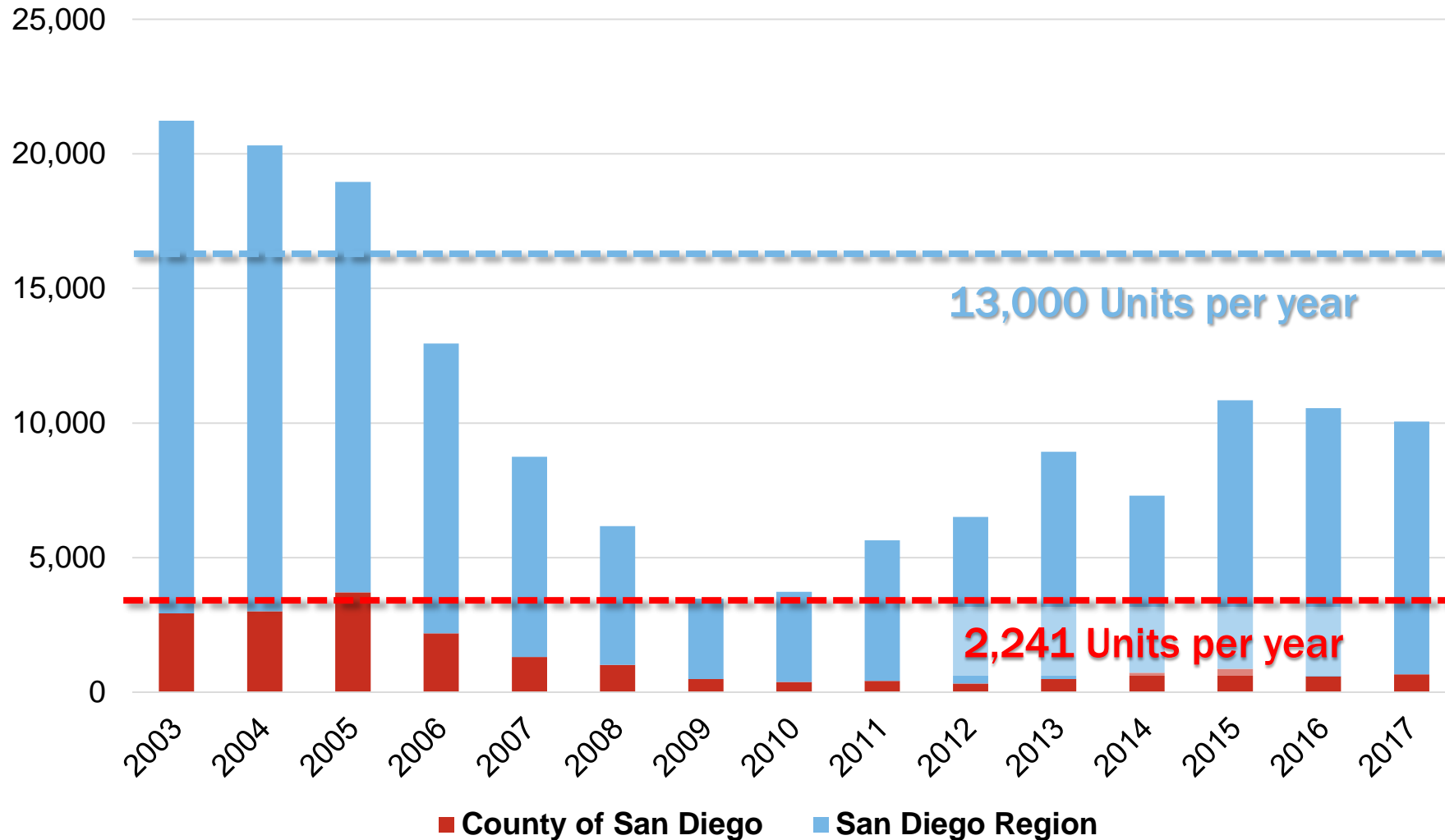


\* RHNA Progress as of 7/31/2018

# DEVELOPMENT TRENDS

# DEVELOPMENT TRENDS

## Building Permits Issued: 2003 - 2017



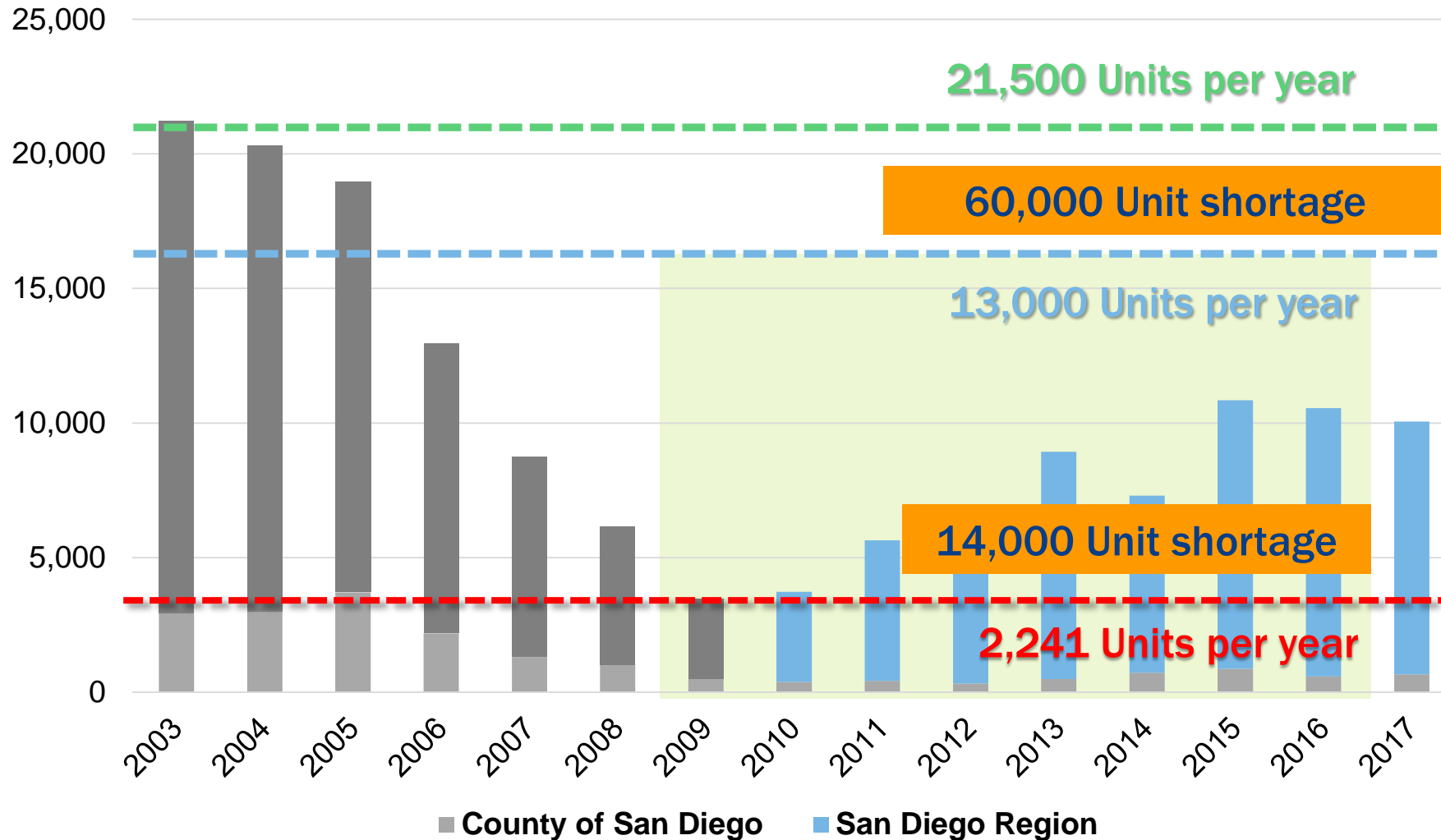
### County of San Diego: New Units Permitted 2003 - 2017

2003	2,923
2004	3,008
2005	3,704
2006	2,179
2007	1,304
2008	1,015
2009	480
2010	377
2011	417
2012	319
2013	480
2014	715
2015	867
2016	582
2017	655
Total	19,025



# DEVELOPMENT TRENDS

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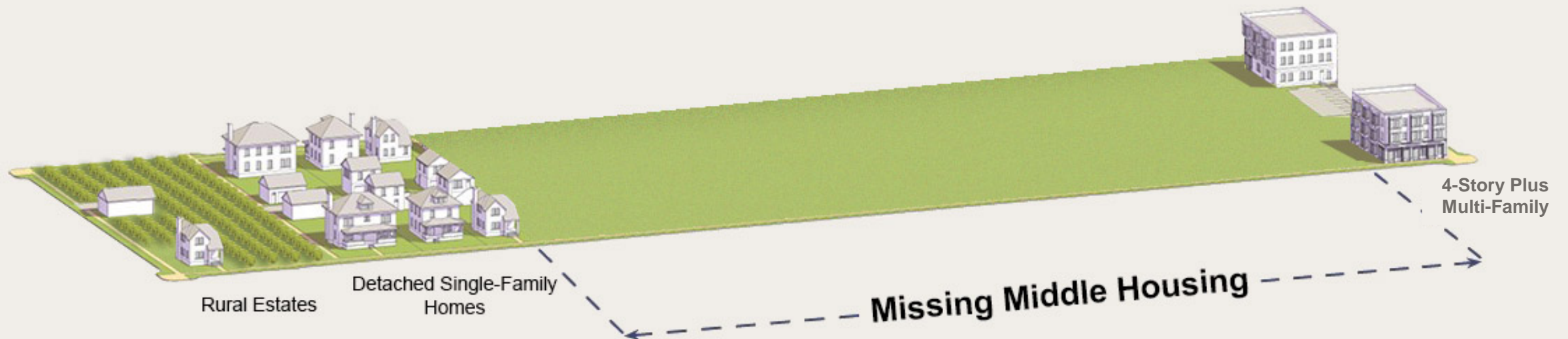


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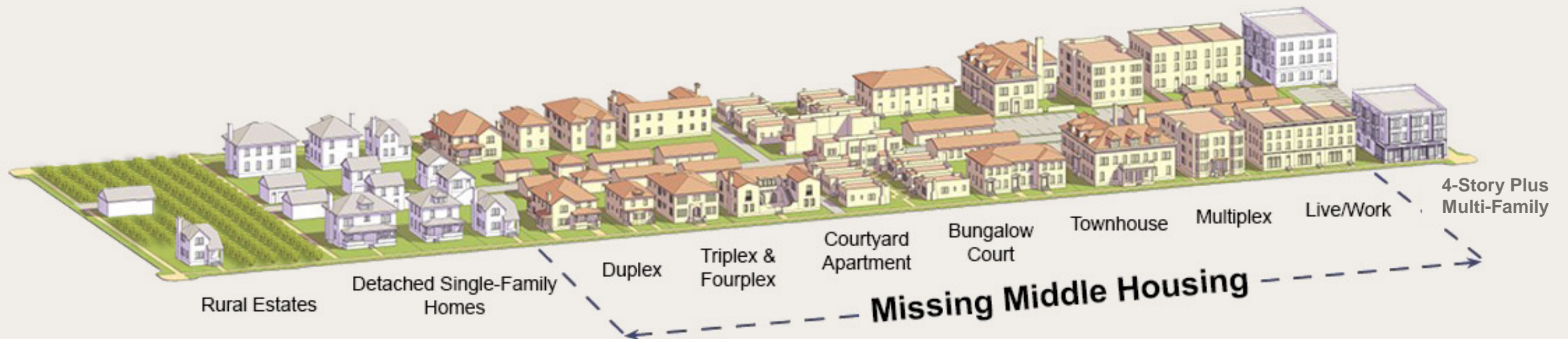
# MISSING MIDDLE & HOUSING SPECTRUM

## Regional Housing Spectrum



# MISSING MIDDLE & HOUSING SPECTRUM

## Regional Housing Spectrum



# HOUSING AFFORDABILITY STRATEGY APPROACH

# HOUSING AFFORDABILITY FRAMEWORK

**Streamlining &  
Process**

**Regulatory  
Relief**

**Participation &  
Incentives**

**Community  
Plan Updates**

**Land  
Development  
Code Update**

# HOUSING AFFORDABILITY FRAMEWORK

**Streamlining &  
Process**

**Regulatory  
Relief**

**Participation &  
Incentives**

**Community  
Plan Updates**

**Land  
Development  
Code Update**

- **CEQA 15183 Streamlining**
- **Business Process Reengineering**
- **Applicant and County Partnering in Project Management**

# HOUSING AFFORDABILITY FRAMEWORK

Streamlining &  
Process

Regulatory  
Relief

Participation &  
Incentives

Community  
Plan Updates

Land  
Development  
Code Update

- **Ministerial Permits**
- **Grading Ordinance**
- **Site Implementation Agreements**
- **Resource Protection Ordinance**
- **Biological Mitigation Ordinance**

# HOUSING AFFORDABILITY FRAMEWORK

Streamlining &  
Process

Regulatory  
Relief

Participation &  
Incentives

Community  
Plan Updates

Land  
Development  
Code Update

- **Expanded Density Bonus Program**
- **Expanded Accessory Dwelling Units (ADUs)**
- **Transfer of Development Rights**



# HOUSING AFFORDABILITY FRAMEWORK

Streamlining &  
Process

Regulatory  
Relief

Participation &  
Incentives

Community  
Plan Updates

Land  
Development  
Code Update

- **15 Community Plans by 2030**
- **Simple, Clear and Consistent Policies and Guidelines**
- **Mixed Use Villages**
- **Public/Private Financing Tools & Mechanisms**

# HOUSING AFFORDABILITY FRAMEWORK

**Streamlining &  
Process**

**Regulatory  
Relief**

**Participation &  
Incentives**

**Community  
Plan Updates**

**Land  
Development  
Code Update**

- **Standardize Regulations**
- **Reduce Complexity**
- **User-Friendly Format**

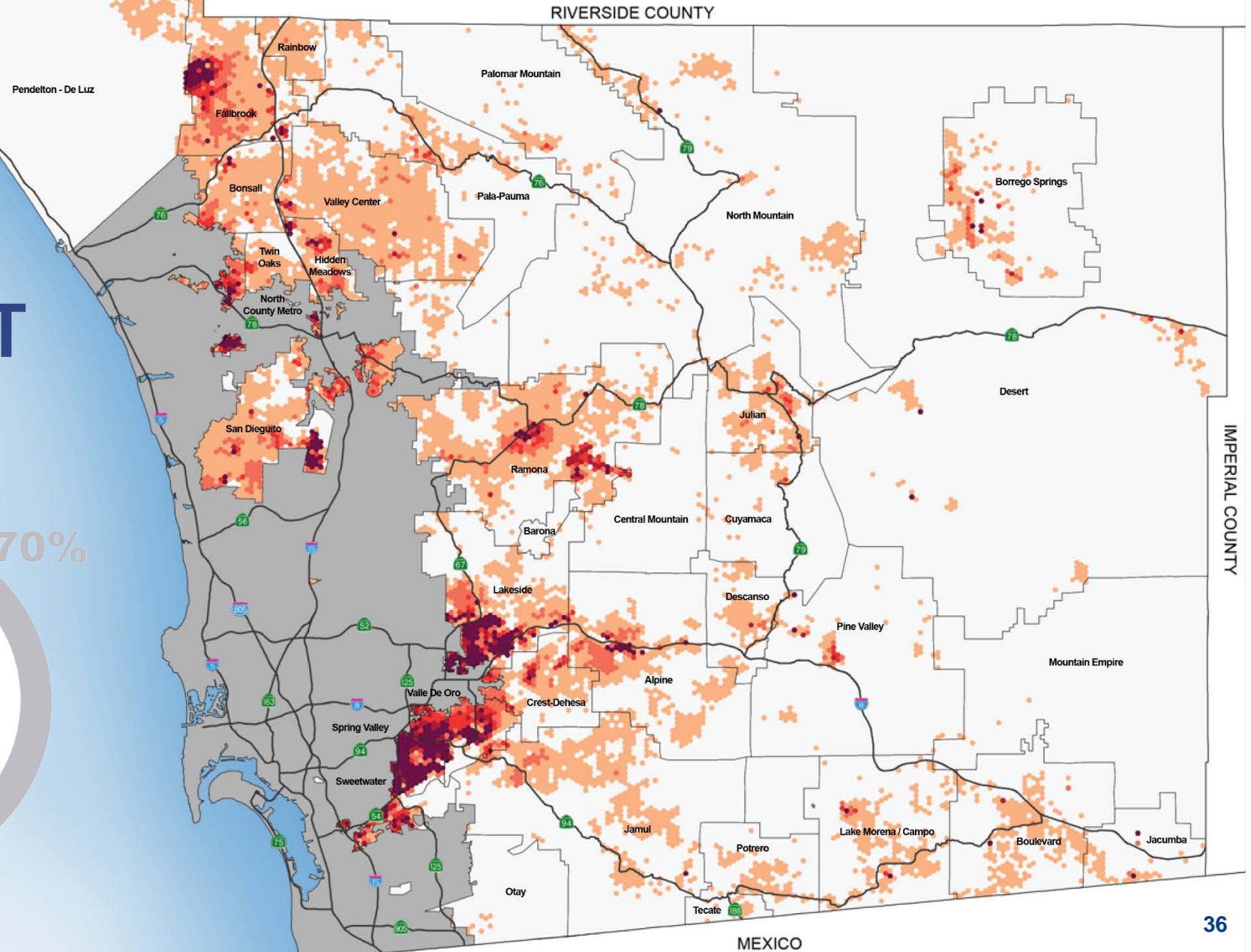
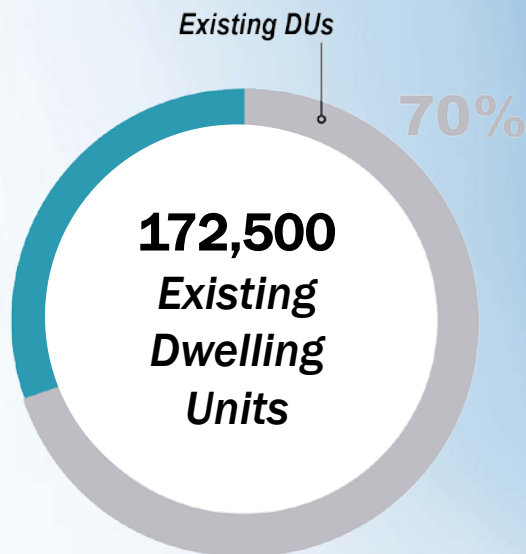
# WHAT ARE OTHER JURISDICTIONS DOING?

- **Streamline Environmental Review** – 15183 CEQA Streamlining
- **Shorten Entitlement Process** – Online Permitting, One-Stop Shop for Permitting
- **Expand By-Right (Ministerial) Development** – Update Zoning Codes & Community Plans
- **Expanded Density Bonus Programs** – Middle Income Density Bonus
- **Expanded Accessory Dwelling Unit Programs** – Pre-Approved Plans, Legalizing As-Built Units, Subsidize Development through Soft Loans, How To Manuals
- **Reduced Parking Requirements** – Near Transit, and/or for Affordable Units
- **Reduce or Waive Development Impact Fees** – for ADUs
- **Employer Based Programs** – Contribute to a Fund to Build Workforce Housing
- **Inclusionary Housing Programs** – Onsite, Offsite, In-Lieu, Land Dedication
- **Adopt Community Plans** – Master EIRs, Updated, Expanded Mixed Use Development, Updated Regulations

# TRACKING DEVELOPMENT

## LEGEND

Dwelling Units

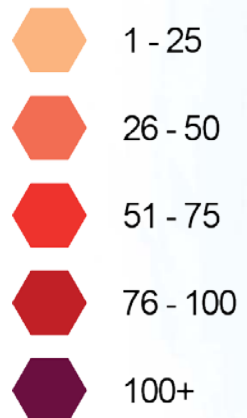




# TRACKING DEVELOPMENT

## LEGEND

Dwelling Units



General Plan Capacity

**232,776**  
*Dwelling  
Units  
Allowed*

Pendleton - De Luz

Rainbow

Palomar Mountain

Fallbrook

Bonsall

Valley Center

Pala-Pauma

Twin Oaks

Hidden Meadows

North County Metro

San Dieguito

Ramona

Barona

Central Mountain

Cuyamaca

Descanso

Pine Valley

Mountain Empire

Spring Valley

Valle De Oro

Crest-Dehesa

Alpine

Sweetwater

Jamul

Potrero

Lake Morena / Campo

Boulevard

Jacumba

Otay

Tecate

Borrego Springs

Desert

ORANGE COUNTY

RIVERSIDE COUNTY

IMPERIAL COUNTY

MEXICO

**The San Diego Union-Tribune**

## Pushed Out by High Prices, These San Diegans Left for Greener Pastures

## Special report: Can we build our way out of the housing crisis?

## San Diego's Housing Crisis Does Not Affect Everyone Equally

**Los Angeles Times**

**BUSINESS**

Southern California home prices jump again. Lots of residents worry about affordability

## Population and housing projected growth, San Diego County, 2017-2050

The latest growth projections show the county's population will rise by more than 750,000 and housing units by nearly 300,000 over the next few decades.

	2017	2050	Percent change
Population	3,316,192	4,068,759	+22.7%
Housing	1,201,517	1,491,935	+24.2%

Source: San Diego Association of Governments

MICHELLE GILCHRISTU-T

Another SD firm moving to Texas



## Why a lot of people are moving out of California

**THANK YOU!**  
**WE ARE HAPPY TO ANSWER ANY QUESTIONS**