

Attachment A – Options to Increase Housing Affordability in the Unincorporated Area



County of San Diego Options to Improve Housing Affordability in the Unincorporated Area

October 2018

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EXECUTIVE SUMMARY

HOUSING AFFORDABILITY SHORTAGE IN SAN DIEGO COUNTY

According to the American Communities Survey (2017), nearly half of all households in San Diego county (Region) spend more than 30 percent of their income on housing. In May of 2017, the Public Policy Institute of California released a report that reveals the shortfall of available rental homes in the Region exceeds 140,000 units and growing. Furthermore, regional housing production goals contained in the County of San Diego (County) General Plan for the unincorporated area are not being met, with a housing production shortfall of nearly 18,000 units since 2010, or approximately 2,250 units per year. This shortage of housing has contributed to increases in median rental and home prices in the Region. A lack of housing supply and product variety limits affordability and housing options in the Region and for households in various life stages such as young couples, families, students, seniors, and veterans.

BOARD OF SUPERVISORS (BOARD) DIRECTION

In response to the affordable housing shortage, on March 28, 2018 the Board directed the Chief Administrative Officer (CAO) to investigate ways to retain General Plan housing capacity and “to investigate the means and mode of establishing a Density Transfer Credit program, a Transfer Development Rights, or an equivalent program in the County of San Diego”. On April 18, 2018, the Board directed the CAO to “investigate options that would further promote the expedient building of homes in the unincorporated area and the closing of the housing gap through incentive programs and/or reductions in regulations in San Diego County.”

IMPROVING HOUSING AFFORDABILITY

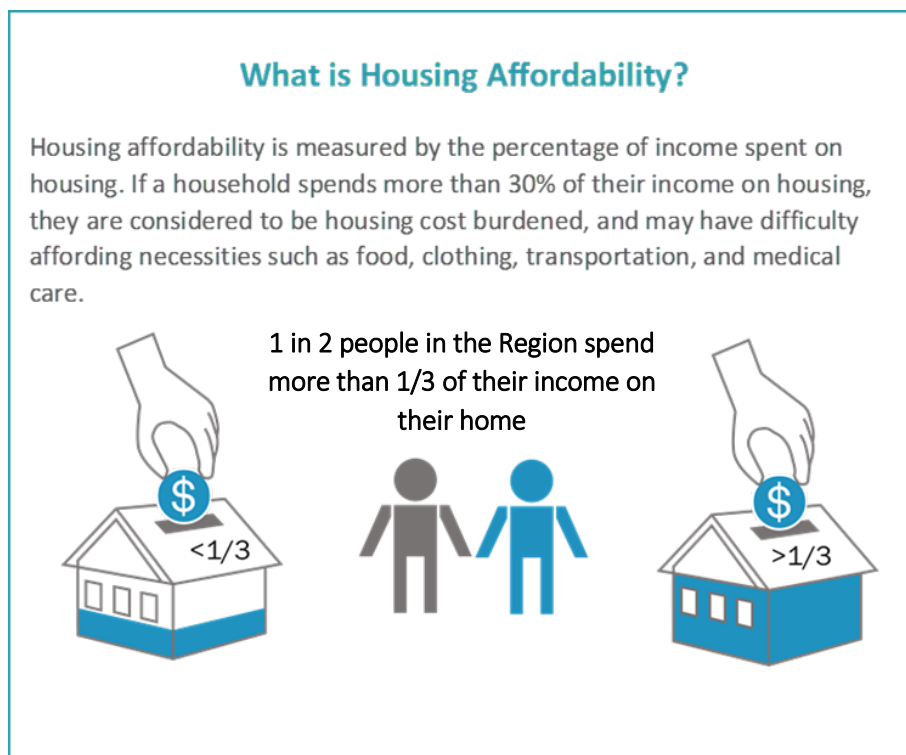
This report on Options to Improve Housing Affordability in the Unincorporated Area (Report) identifies opportunities to address lack of housing supply and to improve areas within the control of the County such as local regulations and the local permitting processes. The Report includes a total of 19 actions within the following five categories:

- Process & Streamlining (PS): There are three actions in this category focused on reducing time and costs associated with the permit process.
- Regulatory Reform (RR): There are four short term actions in this category to correct inconsistent or outdated regulations that inadvertently act as barriers to housing production.
- Participation & Incentives (PI): There are four actions in this category to explore incentives to stimulate production of diverse housing types.
- General Plan & Community Plans (GP): There are four actions in this category intended to implement General Plan goals and policies related to maintaining General Plan housing capacity.
- Land Development Code (LDC): There are four actions in this category to consolidate and modernize zoning and use regulations.

Some of the actions contained within these categories are already underway as part of the Planning & Development Services (PDS) work program, several have been previously directed by the Board, and others are new efforts requiring Board direction. A list of the actions with costs and implementation needs, timelines, and goals is provided in Section 5 of this Report. Analysis for those actions requiring Board direction is provided in Section 6 of this Report.

SECTION 1: HOUSING AFFORDABILITY CONTEXT

Over the past several years, significant attention has been placed on the increasing costs of housing and the overall lack of housing affordability in the State of California (State) and the Region. Concerns raised by elected officials, local business advocacy groups, and the public have brought attention to the shortage of for sale and rental housing. This Report responds to Board direction from March and April 2018. It presents options for Board consideration to address housing affordability and identifies short to long-term solutions for increasing the housing supply, addressing regulatory and process barriers, and expanding housing opportunities in the unincorporated area.



HOUSING AFFORDABILITY THROUGHOUT THE REGION

According to the American Communities Survey (2017), nearly half the households in the Region spend more than 30 percent of their income on housing. The housing affordability shortage impacts a breadth of households from Extremely Low to Above Moderate income families.

Monthly Household Budget

The more a household spends on housing, the less money is available for other necessities such as food, transportation, and medical expenses, leading to difficult budget trade-offs. An average single-person household in the Region with a total monthly budget of \$2,658 spends approximately \$1,212 or 43% of their monthly budget on housing (CA Budget & Policy Center, 2018). This is well in excess of the recommended 30% monthly housing budget maximum. Figure 1 below shows the monthly budget required for a single-person household to cover basic needs in the Region through earnings only, without government benefits or support.

Median Home Prices

According to the County Assessor's Office Home Sale's Price, the median price of a home in the Region in 2017 was \$550,000, and \$580,000 in the unincorporated area. A report published by the Southern California Association of Governments (SCAG) in 2016 indicates that the median home price, as shown in Figure 2, has increased approximately 62% over the past 20 years. In contrast, the national median home price reached \$185,057 in 2016, an increase of only 21% during the same time period (SCAG, 2016). Rental prices also reflect the dramatic change in housing affordability. The median price of a 1-bedroom apartment in the Region is approximately \$1,800 per month, an approximately 72% increase since 2000 (SCAG, 2016).

Figure 1
Single Person Household

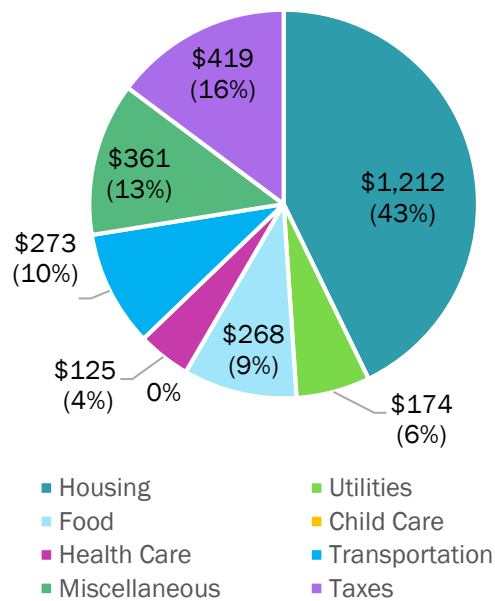
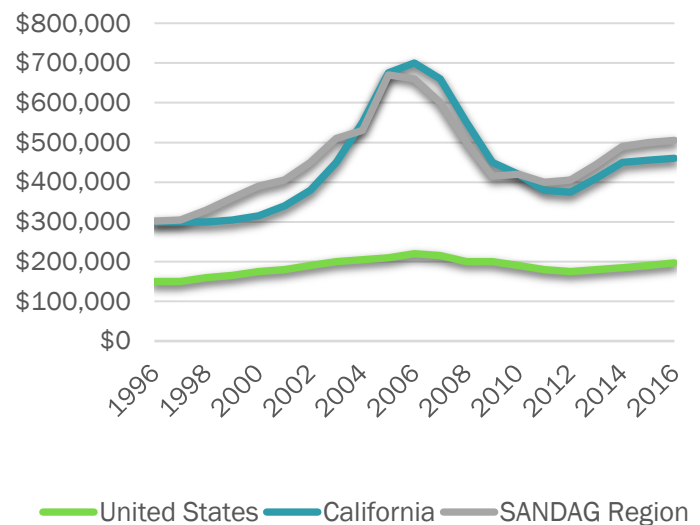


Figure 2
Median Home Price (1996 - 2016)



Affordable housing is broken down by income levels established by State law. The table below shows the income for Extremely and Very Low, Low, Moderate and Above Moderate households. The table also shows the corresponding affordable sales price for a residential unit. Area Median Income (AMI) for the Region for a family of 4 in 2018 is \$81,800. The median price of a home in the Region was estimated to be \$550,000 in 2017, which is only affordable for households at the above moderate income category.

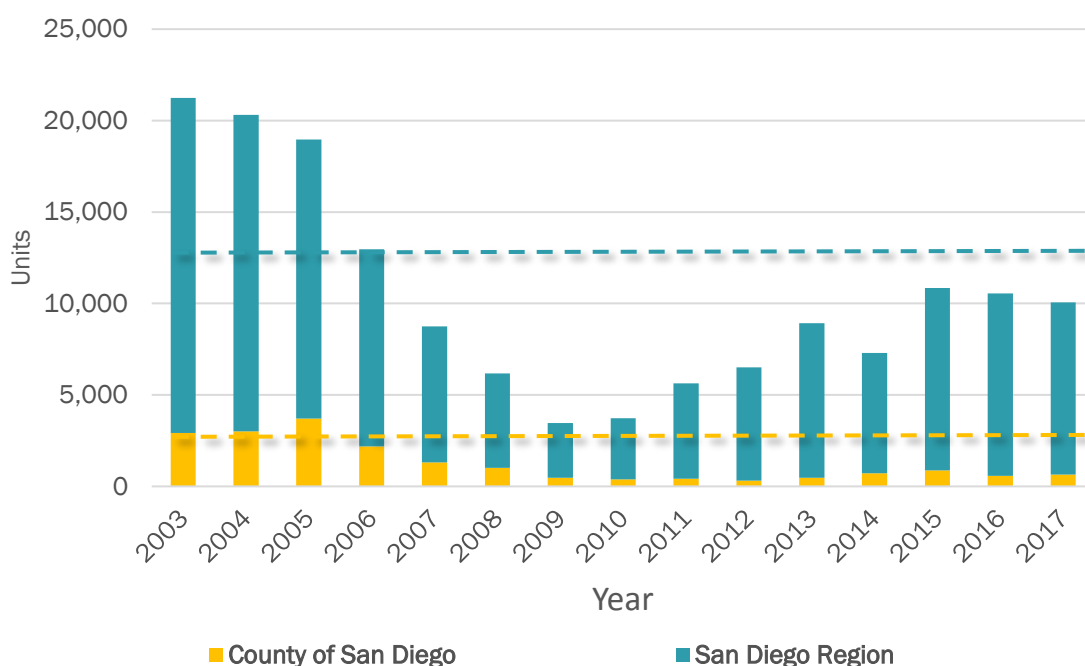
Income Category	AMI Percent	Income	Sale Price
Extremely and Very Low	Below 50%	\$48,650	\$130,000
Low	50% to 80%	\$77,850	\$225,600
Moderate	80% to 120%	\$98,150	\$289,600
Above Moderate	Above 120%	> \$98,151	\$315,900

DEVELOPMENT TRENDS

The high price of homes is explained in part by housing production not keeping up with housing demand. Figure 3 below shows regional housing production between 2003 and 2017, by units. The Region is identified in blue and the County is in gold. To provide sufficient housing to meet projected population growth, the Region would need to produce approximately 13,000 units per year (blue dashed line). The County's portion of the total is estimated to be 2,241 units per year (gold dashed line).

Between 2006 and 2017, regional housing production did not meet demand and an approximately 60,000 unit shortage resulted. During the same time period, the unincorporated area had a shortfall of approximately 14,000 units for all income categories.

Figure 3
Building Permits Issued: 2003 - 2017



MISSING MIDDLE HOUSING

Housing development trends countywide show that there is not enough housing overall, and the housing that is being built does not meet the full spectrum of needs in the Region and for households in various life stages. In the unincorporated area the housing being built is predominantly limited to single-family housing and housing being built in the cities is generally higher density. In neither case are the housing products providing a full range of housing options for different household sizes and income levels, particularly within the range of middle-income households. This “Missing Middle Housing” is defined as in-between housing that is between single-family houses and larger multi-family buildings. Housing production has not included a diversity of townhouses, duplexes, triplexes, courtyard and bungalow courts, multiplexes, or live-work unit product types.



FACTORS CONTRIBUTING TO HOUSING SHORTAGE

In preparing the Report, staff reviewed various publications and studies including those prepared by the SCAG; the California Legislative Analyst's Office (LAO), a nonpartisan fiscal and policy advisor for the State of California; and Mickensy Global Institute, a business and economic research think tank. These sources identify several factors contributing to the low supply and high cost of housing in both the Region and across the state. These factors are further explained below:

Land Costs and Availability

Land costs in California are among the highest in the country and vacant land suitable for development is limited making it difficult for developers to find sites to build new housing. As stated in the 2011 General Plan, approximately 5.6% of the unincorporated area, or 128,369 acres is privately held, undeveloped land with potential for future development.

State Regulations

State regulations, such as the California Environmental Quality Act (CEQA) add to the cost of housing. The environmental review process alone can pose a challenge to housing production due to required public agency review of possible environmental impacts and potential mitigation measures to address them (LAO, 2015). Furthermore, project opponents sometimes use the environmental review process and litigation to limit or stop projects (LAO, 2015).

Local Regulations and Development

According to the LAO, local permitting processes, public hearings, and other processing requirements can be lengthy and extend the overall timeframe to complete a development project (2015). A report on California's High Housing Costs: Causes and Consequences states: "In general, many potential or perceived downsides of new housing accrue to existing residents, while many of the benefits of new housing accrue to future residents. As a result, existing residents sometimes take steps to slow or stop development" (LAO, 2015).

Impacts of the Housing Affordability Crisis

The high cost of housing has an impact on residents and businesses in the Region as highlighted below.

<p>Overcrowding</p> <p>Within San Diego County, approximately 6% of households are overcrowded. In comparison, the national rate of overcrowding is 3.5%.</p> <p>Overcrowded housing is defined as having more than one person per room excluding kitchen and baths.</p> <p>Source: American Communities Survey, 2017</p>	<p>Local Economic Impacts</p> <p>The more a household spends on housing, the less money is available for other discretionary purchases that might be made in local stores generating sales-tax revenues that stimulate the local economy.</p> <p>Source: Legislative Analyst Office, 2016</p>	<p>Long Commute Times</p> <p>Faced with expensive housing options, many employees opt to commute further to work because reasonably priced housing options are limited near major job centers.</p> <p>Within San Diego County, approximately one in five of employees live outside of the county and commute in to work.</p> <p>Source: American Communities Survey, 2017</p>
<p>Homeownership Rates</p> <p>Due to the high cost of housing, many are electing to delay or forgo homeownership altogether.</p> <p>Within San Diego County, homeownership rates are 55%. In comparison, the national rate of homeownership is 64%.</p> <p>Source: American Communities Survey, 2017</p>	<p>Employer Retention</p> <p>In recent years, many employers cite housing costs as a major factor in their reasons for leaving California.</p> <p>“The ability to find reasonably priced housing for employees that is close to work,” was cited as the issue San Diego county employers were most dissatisfied with in a 2016 and 2018 survey.</p> <p>Source: London Group, Study of the Economic Impacts on Regional San Diego Economy, 2016 and 2018</p>	<p>Environmental Justice</p> <p>The impacts of high housing costs fall disproportionately on Extremely Low, Very Low, and Low-income households especially renters.</p> <p>Source: Legislative Analyst Office, 2016</p>

SECTION 2: COUNTY GENERAL PLAN & POLICY FRAMEWORK

The County's General Plan, updated in 2011, balances the environment with economic and social equity needs. The General Plan is based on guiding principles designed to support a reasonable share of projected regional population growth, locate growth near existing and planned infrastructure and jobs, maintain the character of its unique communities, and protect the unincorporated area's natural resources.

The General Plan directs future growth in the unincorporated area and provides a projected capacity to accommodate more than 232,300 existing and future homes. These homes would accommodate 20% of the regional population projection, or about 700,000 residents. Eighty percent of the unincorporated area's future population is expected to be accommodated in communities located within the County Water Authority Boundary, where water and other public services are more readily available.

GENERAL PLAN POLICIES

The General Plan specifically addresses housing affordability through policies intended to increase the supply of housing, provide a mix of housing and tenancy types, increase housing choice, and decrease housing costs by reducing permit processing times, streamlining regulatory processes, and removing obstacles to achieving planned densities.

The Implementation Plan, a component of the County of San Diego General Plan, includes a set of the principle actions and procedures necessary to achieve the goals and policies set forth in the General Plan. Programs and actions identified in the Implementation Plan are related to regional housing needs, village development, maximizing development yield, efficient development patterns, second unit and accessory apartments, mobile and manufactured homes, energy conservation, lower-income housing development, expedite processing, implementation progress monitoring, future housing legislation, and training and procedures for staff.

The actions presented in this Report align with and build upon these past and ongoing efforts to provide further opportunities for housing affordability in the unincorporated area and support the implementation of the General Plan. Key General Plan goals and policies and status are summarized in Appendix A.

SECTION 3: STATE HOUSING ELEMENT LAW

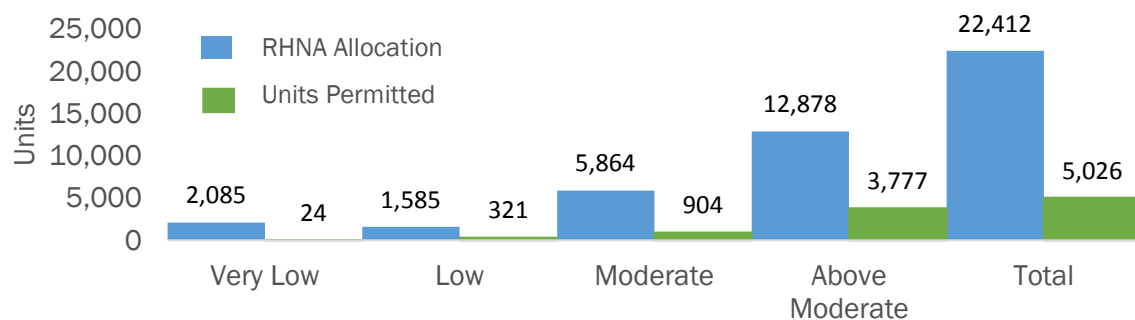
In addition to providing policies and programs that support housing production, State law requires the County's General Plan to address existing and projected housing needs of residents at all income levels. Through the state-mandated Regional Housing Need Allocation (RHNA) process, the Region is assigned a housing need allocation by the State Department of Finance. Through a process at the San Diego Association of Governments (SANDAG) the share of the regional housing needs is then distributed among the 18 incorporated cities and unincorporated area. The County's share of the RHNA is 22,241 units between 2010 and 2020, or 2,241 units per year and is distributed by income categories as shown here.

Income Category	AMI Percent	Income	RHNA Allocation
Extremely Very Low	below 50%	\$48,650	2,085
Low	50% to 80%	\$77,850	1,585
Moderate	80% to 120%	\$98,150	5,864
Above Moderate	Above 120%	> \$98,151	12,878

The State requires that each jurisdiction provide an inventory of sites with designated development capacity to accommodate the required housing within its General Plan. The General Plan identifies sites designated at 24 to 30 dwelling units per acre for lower-income families and sites designated at 10.9 to 15 dwelling units per acre for moderate-income families. Housing for families in the moderate and above moderate-income groups are accommodated by residential lands in the Village, Semi-Rural, and Rural regional categories designated at densities of 7.3 dwelling units per acre and lower.

More than eight years into the current cycle, the County has produced 24 Extremely and Very Low (1%), 32 Low (20%), 904 Moderate (15%), 3,777 Above Moderate (29%) units. In total, as of July 2018, 5,026 units have been permitted, or approximately 22% of the County's share of the RHNA of 22,241 units. According to the State Department of Housing and Community Development, over the last 10 years, California has built an average of 80,000 homes a year, far below the 180,000 homes needed a year to keep up with housing growth from 2015-2025.

Figure 4
RHNA Progress



SECTION 4: COUNTY OF SAN DIEGO RECENT AFFORDABLE HOUSING PROGRAMS

The State of California Housing and Community Development Department (State HCD) states that the term “affordable housing” refers to housing units developed in whole or in part with public subsidies and reserved for low-income households. The term is also used to describe housing obtained with vouchers that offer rental assistance to low-income households.

Over the past year, the Board has taken actions to increase affordable housing programs in the Region. The County Health and Human Services Agency (HHSA), Housing and Community Development Services (HCDS) administers the following Affordable Housing Programs:

EXCESS PROPERTY

On March 21, 2017, the Board directed staff to review the inventory of County-owned excess property for the purpose of developing affordable housing. Site assessments were prepared based on land use, zoning, and environmental factors in addition to proximity to transit, jobs, and essential services. A site methodology was prepared to rate the conduciveness of each site for affordable housing. Each site was reviewed for criteria, which included land use and zoning analysis, environmental due diligence, and consideration of the surrounding existing and uses.

Additionally, a programmatic assessment reviewed the proximity of each site to transit, jobs and essential services, support services, and its geographic location relative to the jurisdiction of the Housing Authority of the County of San Diego. Eleven sites within incorporated areas were identified as potentially conducive to building affordable housing in the near future. Two of the sites are currently in the process to identify a potential developer.

\$25 MILLION INNOVATIVE HOUSING TRUST FUND

On June 20, 2017, the Board directed HCDS to develop an ordinance that would create an interest bearing Innovative Housing Trust Fund (Fund) and establish criteria for the use and distribution of the funds. The purpose of the Fund is to increase affordable housing opportunities throughout the Region through the construction, acquisition, and/or rehabilitation of multi-family housing for extremely-low to moderate-income households.

INNOVATION FUND

The Board also directed HCDS staff to create an Innovation Fund. Through an initial investment from the Neighborhood Reinvestment Program, these funds will be used to conduct feasibility studies and planning activities, to further the development of a Region-wide solution to the critical shortage of affordable housing and to expand the Region’s affordable housing opportunities.

Additional affordable housing programs are presented to the Board for consideration within the Participation & Incentives category.

SECTION 5: HOUSING AFFORDABILITY CATEGORIES AND ACTIONS

This Report, based on Board direction, identifies opportunities to improve areas related to housing production and increase a diversity of housing types within the control of the County such as local regulations and the local permitting processes. The Report includes a total of 19 actions within five categories that focus on:

- Reducing time and costs associated with the permit process,
- Correcting inconsistent and outdated regulations that inadvertently act as barriers to housing production,
- Exploring incentives to stimulate production of diverse housing types,
- Implementing General Plan goals and policies related to maintaining General Plan housing capacity, and
- Consolidating and modernizing zoning and use regulations.

Some of the actions contained within the categories noted below are already underway as part of the PDS work program, several have been previously directed by the Board, and others are new efforts requiring Board direction or are programmatic options for further development after receiving direction from the Board.

HOUSING AFFORDABILITY CATEGORIES

The five categories and a summary of the actions are explained below.

Process & Streamlining

This category includes three existing and ongoing efforts to streamline the development review process through business process re-engineering, improvements to project management of permit applications, and enhancements to community outreach. While these efforts serve multiple objectives, the anticipated housing affordability outcomes include reducing overall costs associated with housing production by reducing the length of time it takes to review and approve permits without sacrificing safety of residents or the quality of review. The actions within this category are ongoing and further Board direction is not needed.

Regulatory Reform

This category contains short term actions to correct inconsistent or outdated regulations that inadvertently act as barriers to housing production. A total of four changes of regulations are identified. Outcomes include increased condition satisfaction flexibility, removal or redundant regulations, and expanded ministerial permit opportunities. Examples include converting discretionary administrative permits to ministerial or “by-right” and other improvements such as facilitating condominium development without requiring a zone reclassification. These efforts are identified as short and medium term actions to be completed in less than two years. Regulatory Reform actions have been previously directed by the Board and are included in the PDS work program.

Participation & Incentives

The purpose of this category is to explore areas where the County can provide incentives to reduce economic barriers and increase the production of a larger variety of housing product types. Incentives are intended to increase housing production and create economic conditions to encourage the

construction of missing middle housing products that would otherwise not be built. There are a total of four recommended actions in this category which require Board direction on programmatic options to be further developed for Board consideration.

General Plan & Community Plans

The purpose of this category is to implement General Plan goals and policies related to maintaining General Plan housing capacity. This will be accomplished through the use of regional coordination, new reporting tools, retention of General Plan housing capacity, and updated community plans. There are a total of four projects in this category including previous Board direction to update 15 Community Plans by 2030. Another action, General Plan Housing Capacity and Transfer of Development Rights (GP-3) requires further Board direction on programmatic actions to be further developed for Board consideration.

Land Development Code

The purpose of this category is to prepare a comprehensive update of the Land Development Code including Zoning, Grading and Subdivision ordinances and other regulatory codes. This will remove inconsistencies between the Land Development Code, General Plan, and other State regulations and create an understandable set of regulations to guide development in the unincorporated area. There are a total of four actions in this category. One action, Allow and Encourage Varied Housing Types (LDC-4) requires Board direction for further development and Board consideration.

HOUSING AFFORDABILITY ACTIONS

The recommended actions were developed in collaboration with stakeholder input as well as a review of recent reports on housing affordability, and an analysis of best practices from other jurisdictions. Implementation of the recommended actions will involve continued and expanded partnerships with stakeholders.

The table on the following pages provides a list of all the recommended actions with costs and implementation needs, timelines, and goals. Analysis for those actions requiring Board direction is provided in Section 6 of this Report.

Process and Streamlining (PS) Actions		Board Direction Requested	Timeline	Costs and Implementation	Goals
PS-1	<u>Business Process Reengineering (BPR)</u> : Continue ongoing improvement to application processing and permitting through implementation of Red Tape Reduction Task Force and Land Development Industry actions. The purpose of BPRs is to reduce processing times and costs to applicants, comply with existing laws and regulations, improve the quality of the review process, and increase process transparency.	Previously directed by the Board	Continuous improvement is ongoing	\$300,000 in one-time costs to be requested in FY 2019-20 Operational Plan	<u>Fiscal Year 2017-18 Outcomes</u> : Final Map Delegation – Time savings of 4-6 weeks, and cost savings of \$3,000 - \$5,000 per application; Centerline Review – Time savings of 3-4 weeks, and cost savings of \$522 per application; Administrative Permit – Time savings of 6-7 months, and cost savings of \$4,500 per application; Site Plan Permit – Time savings of 10 months, cost savings of \$8,500 per application <u>Fiscal Year 2018-19 Goals</u> : Additional BPRs to be completed include stormwater permits and flood control permits
PS-2	<u>Community Engagement</u> : Improve the public review process to increase transparency, efficiency and predictability. The goal of this action is to continue to receive public input at key points in the process to develop balanced recommendations and provide improvements where necessary. An effective community engagement process allows for public input and a consistent methodology for providing recommendations to County decision makers at all levels.	Included in PDS work program	Short Term (<1 Year)	\$100,000 in one-time costs to be requested in FY 2019-20 Operational Plan	Improved and expanded public participation; increased transparency and predictability of development review process through well-defined public input points in the process
PS-3	<u>Project Management</u> : Improve project scoping; communication; issue identification/elevation; application processing, tracking and archiving; and coordination and partnering between County departments. Specific actions and commitments to improve project management and the overall discretionary review process were identified in collaboration with the Land Development Industry and the County's Land Use and Environment Group (LUEG).	Included in PDS work program	Short Term (<1 Year)	No additional costs	Improved internal and external communication; Better scoped projects; Improved issue elevation, prioritization and resolution; Better application and guidance documents; Improved internal systems



Regulatory Reform (RR) Actions		Board Direction Requested	Timeline	Costs and Implementation	Goals
RR-1	<u>Site Implementation Agreement (SIA) Ordinance</u> : Prepare a new ordinance to establish SIA agreements between property owner(s) and the County which consolidates and allows the deferral of conditions of approval. The current process is time consuming for staff, difficult for applicants, creates potential for error in determining if requirements have been met, and is challenging for the County to monitor. SIAs will consolidate project conditions, streamline the development process, and improve facilitation of mitigations and improvements.	Previously directed by the Board	Short Term (<1 Year)	\$120,000 in one-time costs to be requested in FY 2019-20 Operational Plan to develop ordinances and conduct environmental evaluation.	Simplified and easy to track requirements; More predictable process; Increased flexibility for applicants
RR-2	<u>Resource Protection Ordinance (RPO) and Biological Mitigation Ordinance (BMO)</u> : Revise RPO and BMO to remove potential redundancies with existing local, state, and federal law and create a more efficient process. Ensuring the RPO and BMO are consistent will provide flexibility to projects to avoid duplicated work efforts and make the ordinances easier to implement and interpret.	Previously directed by the Board	Medium Term (1-2 Years)	Total project costs of \$430,000 are partially budgeted in PDS in the FY 2018-19 Operational Plan (\$250,000). Additional one-time costs (\$180,000) in FY 2020-21	Simplified ordinances; Consolidated requirements; Reduced discretionary project review times
RR-3	<u>Permit Procedures</u> : Continue to revise permit review procedures, improve permit processing guidance, streamline decision making authority, and expand online permits to make it easier for customers to obtain a permit. Permit processing procedures and guidance can be improved to achieve applicant cost savings and reduce trips to the County, several Administrative Permits can be reduced to ministerial or “by-right” approvals. The County currently has online permit processing activities for permits that include water heater replacements, roof mounted solar panels, air conditioning replacement, etc.; this will continue to be expanded to more permit types.	Previously directed by the Board	Medium Term (1-2 Years)	No additional costs	Increased ministerial approvals; Reduced ministerial project plan check times; Improved permit processing understanding and predictability; Increased housing production



Regulatory Reform (RR) Actions (continued)		Board Direction Requested	Timeline	Costs and Implementation	Goals
RR-4	<u>Group Quarters Ordinance</u> : Revise the Group Residential definition in the Zoning Ordinance to allow for units with an independent kitchen which will increase flexibility and facilitate independent living. The County is experiencing increased demand for group quarters for senior and group homes with living units with kitchen facilities in order to facilitate independent living and retain the benefits of medical care, when necessary. Group quarters can also be for senior assisted living or rehabilitation facilities.	Provide direction to update the ordinance and return to the Board for consideration	Short Term (<1 Year)	No additional costs	Expanded housing choices; Increased flexibility for projects

Participation & Incentives (PI) Actions		Board Direction Requested	Timeline	Costs and Implementation	Goals
PI-1	<u>Density Bonus Program</u> : Consider expanding the Density Bonus Program beyond State Law to provide a greater number than the three incentives and concessions allowed and expand the program from the current 120% and below Area Median Income (AMI) to target middle-income individuals and families above 120% of AMI. Both Option 1 and Option 2 can be directed, they are not mutually exclusive.				
	<u>Option 1: Increase Maximum Number of Incentives and Concessions Allowed</u> : Consider increasing the number of incentives and concessions allowed to encourage use of the Density Bonus Program.	Provide direction to develop program and return to the Board for consideration	Short Term (<1 Year)	No additional costs	Increased number of affordable housing units; Expanded housing choices; Reduced project costs
	<u>Option 2: Prepare Middle-Income Density Bonus Program</u> : Consider analyzing and expanding the existing Density Bonus program to target middle income individuals and families earning between 120% and 150% AMI.	Provide direction to develop program and return to the Board for consideration	Medium Term (1-2 Years)	\$330,000 in one-time costs in FY 2019-20 to develop program and return to the Board	



Participation & Incentives (PI) Actions (continued)		Board Direction Requested	Timeline	Costs and Implementation	Goals
PI-2	<u>Explore Affordable and Inclusionary Housing Programs and Ordinances:</u> Consider developing an Affordable or Inclusionary Housing Program/Ordinance as outlined in General Plan Policy H-1.9 to require large General Plan Amendments (GPA) to include an affordable housing component. Affordable and inclusionary housing programs/ordinances would require Extremely and Very Low or Low Income Units (80% of AMI or lower) be set aside for households in that income group. Four options are provided for Board direction. The Board may provide direction on one or a combination of the following recommendations. As part of its direction, the Board may direct staff to conduct an economic feasibility study to evaluate how program option(s) could impact the unincorporated areas (All Options).				
	<u>Option 1: General Plan Amendment (GPA) Affordable Housing Program:</u> Consider requiring large GPA projects (over 50 units) to include an affordable housing component. This option would provide a flexible list of compliance options and not set a minimum number of affordable units.	Provide direction to prepare an economic analysis and criteria and return to the Board for consideration	Medium Term (1-2 Years)	\$240,000 in one-time costs in FY 2019-20 to prepare an economic analysis and develop program/ordinance criteria	Increased number of affordable housing units; Socially and economically integrated communities; Expanded housing choices for low and moderate-income households; Increased range of housing types
	<u>Option 2: GPA Inclusionary Housing Ordinance:</u> Consider requiring large GPA projects (over 50 units) to provide a minimum percentage of units as affordable. This option would establish a minimum percentage of affordable units required and may include deed restricted units. This requirement could also be satisfied with commensurate alternatives including payment of in-lieu fees		Medium Term (1-2 Years)		
	<u>Option 3: Large Project Inclusionary Housing Program/Ordinance:</u> Consider expanding applicability of Policy H-1.9 beyond large GPAs to all large residential development projects of 50 units or more. This option could be an expansion of either Option 1 or 2 to apply to all large residential projects	Staff does not recommend this option	Medium Term (1-2 Years)	\$300,000 in one-time costs in FY 2019-20 to develop and return with ordinance for Board consideration	
	<u>Option 4: Prepare Comprehensive Inclusionary Housing Ordinance:</u> Consider developing a comprehensive inclusionary housing ordinance to require projects of all sizes, above a minimum threshold, to provide a minimum percentage of units as affordable. This option would establish a minimum percentage of affordable units required that would be deed restricted. This requirement could also be satisfied with commensurate alternatives including payment of in-lieu fees.	Staff does not recommend this option	Medium Term (1-2 Years)	\$340,000 in one-time costs in FY 2019-20 to develop and return with ordinance for Board consideration.	



Participation & Incentives (PI) Actions (continued)		Board Direction Requested	Timeline	Costs and Implementation	Goals
PI-3	<p><u>Accessory Dwelling Units (ADUs)</u>: Consider expanding the ADU program beyond State Law by making the permitting process easier and less expensive for homeowners, providing incentives and subsidies, and allowing greater flexibility. Four options are provided for Board direction. These are not mutually exclusive. The Board may provide direction on one or a combination of the following recommendations:</p>				
	<p><u>Option 1: Pre-Approved Plans and Program Development</u>: Consider reducing permitting time and cost by providing pre-approved ADU plans to property owners, expedite plan check review and reduced permit fees.</p>	Provide direction to prepare plans and implement program	Short Term (<1 Year)	\$150,000 in one-time costs in FY 2019-20 to prepare plans and outreach materials	Increased number of affordable housing units; Expanded housing choices for low and moderate-income households; Increased range of housing types; Increased housing production; Reduced project costs; Reduced project timelines; Expedited plan check
	<p><u>Option 2: Waiver of Impact and Permit Fees</u>: Consider reducing permitting costs by waiving development impact (Transportation Impact Fee and Park Lands Dedication Ordinance) and permit fees (building, drainage, and septic) for a five-year trial period. If directed, PDS will return in the last year of the trial period to report on the status of this program.</p>	Provide direction to develop program and return to the Board for consideration	Medium Term (1-2 Years)	\$2,200,000 in annual one-time costs over the five-year trial period. If directed, a request for any necessary current year appropriations and funding source(s) will be included when a Waiver of Impact and Permit Fee trial period item returns to the Board for consideration, and in future Operational Plans.	
	<p><u>Option 3: Junior Accessory Dwelling Units</u>: Consider providing greater flexibility and a lower cost option by creating a Junior Accessory Dwelling category that costs less to build by converting an existing space within a house or addition and requires no additional parking.</p>	Provide direction to prepare an ordinance and return to the Board for consideration	Short Term (<1 Year)	No additional costs	
	<p><u>Option 4: Subsidize Construction of ADU</u>: Consider encouraging construction of ADUs by developing a pilot program to provide bridge funding, in the form of a grant or loan, to property owners to construct an ADU in exchange for renting the ADU at an affordable rate through a deed restriction or similar mechanism.</p>	Provide direction to monitor implementation in other jurisdictions and report back to the Board in one year	To be determined (TBD)	TBD	



Participation & Incentives (PI) Actions (continued)		Board Direction Requested	Timeline	Costs and Implementation	Goals
PI-4	<u>Development Impact Fees:</u> Conduct a review of Development Impact Fees with all departments and evaluate ability to modify fixed development impact fees for new dwellings to fees based on the total square footage of the dwelling.	Provide direction to prepare a study and return to the Board with options.	Short Term (<1 Year)	No additional funding requested	Reduced processing and project costs

General Plan & Community Plans (GP) Actions		Board Direction Requested	Timeline	Costs and Implementation	Goals
GP-1	<u>Regional Military Housing Coordination:</u> Improve coordination with the military and other jurisdictions to accommodate an anticipated increase in military and their families through the San Diego Association of Governments (SANDAG) Regional Military Working Group. On April 18, 2018 the Board also asked PDS to investigate the current projections for military personnel and ways to coordinate increases in personnel or their families. The San Diego Military Economic Impact Study states that the military's need for affordable housing for its current and growing workforce should be a critical part of any strategic plan to address the Region's lack of adequate housing supply and high housing costs. Coordinating with the military will enable the County to identify and plan for projected military housing needs.	Included in PDS work program	Ongoing	No additional costs	Regional coordination to ensuring housing opportunities for military personnel
GP-2	<u>Development and General Plan Tracking:</u> Monitor General Plan goal attainment by tracking housing permitting, production, and changes in capacity.	Included in PDS work program	Ongoing	No additional costs	Monitored housing capacity; Maintained inventory of potential parcels for new housing development



General Plan & Community Plans (GP) Actions (continued)		Board Direction Requested	Timeline	Costs and Implementation	Goals
GP-3	<u>Explore Options to Retain General Plan Capacity and Transfer of Development Rights:</u> Consider creating opportunities to capture unrealized density and transfer development rights. The Board may provide direction on the desired goals and approach to maintaining or increasing General Plan capacity, as reflected in the four options				
	<u>Option 1: Excess Dwelling Unit Bank:</u> Consider developing a program to track unrealized residential units from downzoned properties or developments built out below the maximum density allowed. This option would provide the Board with discretion to allocate unrealized residential units on a case-by-case basis to maintain General Plan capacity.	Receive the report, consider options and provide direction to staff to develop a program	Medium Term (1-2 Years)	\$300,000 in one-time costs in FY 2019-20 to develop program and return to the Board	Maintained or increased housing capacity; Improved job/housing balance; Improved and more efficient provision of infrastructure and services; Density directed to more appropriate locations
	<u>Option 2: Limited-Scope TDR Program (County Managed):</u> Consider developing a transaction-based TDR program with defined sending and receiving sites. This option would require Board direction to identify and map sending and receiving sites to facilitate private-to-private market-rate transactions to transfer development rights between properties.			\$490,000 in one-time costs in FY 2019-20 to develop program and return to the Board.	
	<u>Option 3: Transaction-Based TDR Program (Market Driven):</u> Consider developing a transaction-based TDR program with defined sending and receiving sites. This option would require Board direction to identify and map sending and receiving sites to facilitate private-to-private market-rate transactions to transfer development rights between properties.			\$800,000 in one-time costs in FY 2019-20 to develop program and return to the Board	
	<u>Option 4: Consider impact of General Plan Initiative:</u> Monitor outcomes of the election result for the 'Safeguard our San Diego Countryside Initiative' to assess its impact on a Transfer of Development Rights Program, and report back to the Board 180 days after the election with options.	Staff does not recommend this option	Long Term (>2 Years)	No additional costs	N/A
	<u>Option 5: Require Minimum Densities:</u> Consider amending General Plan policies to require residential development be constructed to a minimum percentage of allowed densities.		Medium Term (1-2 Years)	No additional costs	N/A



General Plan & Community Plans (GP) Actions (continued)		Board Direction Requested	Timeline	Costs and Implementation	Goals
GP-4	<p><u>Community Plans:</u> Update community plans to revise land use and design guidelines to ensure realization of planned densities, allow for streamlined environmental review, and identify financing sources for both public and private improvements such as Community Facilities Districts, Business Improvement Districts, Enhanced Infrastructure Financing Districts, and Maintenance Assessment Districts. Updating community plans will also implement the Climate Action Plan. Community plans will and guide the location, quantity, and type of housing products allowed within each community planning area. Community plan updates have the potential to be affected by the Safeguard Our San Diego Countryside Initiative if they are making changes outside of established Village areas..</p>	Previously directed by the Board	Long Term (>2 Years)	No additional costs	Maintained or increased housing capacity; Improved job/housing balance; Improved and more efficient provision of infrastructure and services

Land Development Code (LDC) Actions		Board Direction Requested	Timeline	Costs and Implementation	Goals
LDC-1	<p><u>Grading Ordinance:</u> Complete phased code updates to first streamline grading and clearing permits for common projects followed by a comprehensive update to all grading standards. Currently the Grading Ordinance requires a grading and clearing permit for a broad range of property activities, including clearing associated with digging a well and landscaping improvements, resulting in additional time and costs for property owners. The thresholds for requiring permits can be increased to be consistent with surrounding jurisdictions.</p>	Provide direction to update the ordinance and return to the Board for consideration	Medium Term (1-2 Years)	\$235,000 one-time costs in FY 2019-20 to prepare the ordinance and return to the Board	Increased flexibility for projects; Reduced project requirements; Reduced project costs



Land Development Code (LDC) Actions (continued)		Board Direction Requested	Timeline	Costs and Implementation	Goals
LDC-2	<u>Residential Rounding Ordinance:</u> Complete phased code updates to allow projects to achieve their maximum densities within villages, semi-rural and rural areas. The County's residential rounding methodology in the General Plan requires rounding down for partial units. The County's zoning ordinance allows fractions of .5 or higher to round up. The General Plan takes precedence over the zoning ordinance and as a result, some developments are not developing not the intended densities. Changing the methodology to allow for rounding up at 0.5 units instead of down will increase opportunities for some attached unit types in village areas, and subdivisions in semi-rural and rural areas where property owners are unable to conduct a lot split.	Previously directed by the Board	Phase I – Short Term (<1 Year) Phase II – Medium Term (1-2 Years)	\$250,000 budgeted in PDS in the FY 2018-19 Operational Plan. No additional costs.	Increased flexibility for projects; Increased housing production
LDC-3	<u>Land Development Code:</u> Restructure uncoordinated land development ordinances into a consolidated Land Development Code that is modern, streamlined, and user-friendly. The County's Zoning Ordinance has not been comprehensively updated since 1975. In addition other ordinances that regulate the land development process such as Grading and Subdivision ordinances are separate. A consolidated land development code would allow for an easier understanding of the regulations and implementation.	Previously directed by the Board	Long Term (>2 Years)	Total project cost of \$2,066,000 is partially budgeted in PDS in the FY 2018-19 Operational Plan (\$1,041,000). Additional one-time costs in FY 2019-20 (\$725,000) and FY 2020-21 (\$300,000)	Simplified and easy to understand code; Reduced project requirements
LDC-4	<u>Allow and Encourage Varied Housing Types:</u> Consider investigating housing options by expanding the range of housing types permitted, lot sizes, and reducing regulatory barriers to development.	Provide direction to develop program and return to the Board for consideration	Medium Term (1-2 Years)	\$260,000 in one-time costs in FY 2020-21 to conduct public outreach, develop program options, and return to the Board	Increased housing production; Increased range of housing types; Increased number of affordable housing units; Expanded housing choices for low and moderate-income households



SECTION 6: HOUSING AFFORDABILITY ACTIONS REQUIRING BOARD DIRECTION

Based on an extensive best practices and literature review and comments received during public outreach and engagement with stakeholders, programmatic options were developed for the Board's consideration and further direction on the below actions.

Density Bonus Program (PI-1): Two options are provided for Board consideration related to expanding the Density Bonus Program beyond State law to provide greater concessions and incentives and including middle-income households to encourage the production of affordable housing units. The Board can provide direction on one or a combination of the recommended options.

Explore Affordable and Inclusionary Housing Programs and Options (PI-2): Four options are provided for Board consideration related to developing an Affordable or Inclusionary Housing program to require that housing developments provide an affordable housing component as outlined in General Plan Policy H1.9. The Board can provide direction on one or a combination of the recommended options.

Accessory Dwelling Units (PI-3): Four options are provided for Board consideration related to expanding the Accessory Dwelling Unit program beyond State law by making the permitting process easier and less expensive for homeowners, providing incentives and subsidies, and allowing greater flexibility. The options are not mutually exclusive and the Board can provide direction on one or a combination of the recommended options.

Explore Options to Retain General Plan Capacity and Transfer of Development Rights (GP-3): Four options are provided for Board consideration related to retaining General Plan housing capacity through updates to General Plan policies and development of new programs to track and allocate unrealized units and transfer of development rights. The Board can provide direction on one or a combination of the recommended options.

Allow and Encourage Varied Housing Types (LDC-4): One option is provided for Board consideration related to increasing middle-income housing affordability by increasing the range of housing types permitted, lot sizes, and reducing regulatory barriers to development. The Board can provide direction on the one option.

COSTS AND CONSIDERATIONS

To move forward with the recommended options, specific actions are provided to help guide the decision making process. One-time-only funding needs are inclusive of California Environmental Quality (CEQA) costs, ongoing funding needs, and estimated staffing time are identified for each of the recommended options, where applicable. Additional considerations for the Board are also identified and will be addressed during option development and discussed when each option returns to the Board.

DENSITY BONUS PROGRAM (PI-1)

Participation & Incentives

PROJECT OPTIONS

Consider expanding the Density Bonus Program beyond State Law to provide a greater number of incentives and concessions than currently allowed, and develop a middle-income density bonus program.

Option 1: Increase Maximum Number of Incentives and Concessions Allowed

Consider increasing the number of incentives and concessions allowed to encourage use of the current State established Density Bonus Program for households earning up to 120% of the Area Median Income (AMI).

Option 2: Prepare Middle-Income Density Bonus Ordinance

Consider expanding the existing Density Bonus program beyond the current State established program to target households earning between 120% and 150% of AMI.

BACKGROUND

California State Density Bonus Law (Government Code Sections 65915–65918) allows the provisions of incentives and concessions to developers that provide affordable units as part of a development for Extremely and Very Low, Low, and Moderate-income (0% to 120% of Area Median Income (AMI)) persons or families, seniors, transitional age foster youth, disabled veterans, or homeless individuals. Incentives allow a developer to build up to 35% more units, taller buildings, or more floor space than normally allowed. The below table shows income levels for a family of four.

Income Category	AMI Percent	Income
Extremely and Very Low	below 50%	\$48,650
Low	50% to 80%	\$77,850
Moderate	80% to 120%	\$98,150
Above Moderate	Above 120%	> \$98,151

On January 1, 2017, the State of California adopted four bills (AB 2501, AB 2442, AB 2556, AB 1934) to encourage the use of Density Bonus programs, requiring the County to update its current regulations. The new bills were

aimed at providing greater flexibility, transparency, and additional concessions to encourage the use of the program. As of January 1, 2017, the County of San Diego began implementing the new state standards and will update the Zoning Ordinance as part of the Zoning Ordinance Clean Up scheduled for early 2019.

ANALYSIS

The density bonus tool can provide a useful mechanism to encourage greater affordable housing production and to lower the cost of market-rate housing in areas with high land costs. The added density allowed is intended to incentivize a developer with additional revenue from additional units, while recognizing the added costs of development or differences in profit margins between market rate and below market rate units. In turn, a developer would provide deed restricted affordable units to persons and families of Extremely and Very Low, Low, or Moderate-income for a period of at least 55 years or longer.

Use of density bonuses can increase the diversity of housing product types by incentivizing developers to construct housing products that would otherwise not be financially feasible without the provision of incentives and concessions. The current incentives allowed by the County include a reduction in site development standards and architectural requirements that go beyond minimum building and safety code requirements, e.g. design criteria, colors, and materials. Additional incentives include approval of mixed use zoning not otherwise allowed and other regulatory incentives proposed by the applicant or the County that result in identifiable and actual cost reductions.

The County's existing density bonus program has had little success in incentivizing the production of affordable housing units. Only one application in 2006 has been submitted since the density bonus program adoption. This can be attributed to various reasons. One reason is that not all projects are built to the maximum allowed densities and therefore would not benefit from a density bonus. This issue has been addressed with updates to Government Code Section 65915 that went into effect on January 1, 2017 allowing developers to request an

DENSITY BONUS PROGRAM (PI-1)

Participation & Incentives

incentive, even if they do not request a density bonus. Other barriers include the administration costs associated with managing affordable units including screening tenants/purchasers for income eligibility. Other jurisdictions provide services to screen tenant and purchasers through their housing programs.

Actions the County can take beyond State law to encourage the use of Density Bonuses and incentivize the construction of affordable housing include providing greater incentives and expanding the program to include middle-income households. Based on a review of best practices and recent trends, two options are proposed for Board direction.

Option 1: Increase Maximum Number of Incentives and Concessions Allowed

Consider increasing the maximum number of incentives and concessions available to a developer in exchange for housing made available to Extremely and Very low, Low, and Moderate-income persons or families, and senior housing. Currently the number of concessions available to a developer depends on the number of affordable units provided and increases as more affordable units are provided. This options would make available more concessions in exchange of fewer affordable housing units provided. For example, currently if five percent of the units are reserved for Very Low-income households, then the applicant shall receive a maximum of one incentive. This could be increased to two incentives to further encourage use of this program. To develop Option 1, no additional funding or staffing needs are identified.

Timeline	Medium Term (1 – 2 Years)
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Option 2: Prepare Middle-Income Density Bonus Ordinance

Expand the existing Density Bonus program to target middle-income individual and families. The goal of this option is to provide incentives for developers to construct housing projects that include units that can be sold or rented to entry-level and middle-income households earning between 120% and 150% of AMI. The creation of additional middle-income housing units would allow for the development of housing for persons

who are school teachers, nurses, police, fire fighters, and others. For Option 2, the following funding and staffing needs are identified:

Funding Needs	One-time Funding: \$330,000 (Including CEQA: \$120,000)
Staffing Needs	Included in existing work program
Timeline	Medium Term (1 – 2 Years)

TO MOVE FORWARD WITH THE RECOMMENDATIONS

The Board may provide direction on one or a combination of the following recommendations:

1. Revise the County's Zoning Ordinance to increase the maximum number of incentives and concessions allowed based on the percentage of reserved units, and income category of reserved units.
2. Revise the County's Zoning Ordinance to include incentives for development of middle-income units for entry-level/middle-income households earning 120% to 150% of AMI.

ADDITIONAL ANALYSIS TO BE COMPLETED AS PART OF PROGRAM DEVELOPMENT

1. Determining if Middle-Income Density Bonus should be provided with the same number and type of concessions as that for Low-Income Density Bonus
2. Determining if low-income units should be provided before providing middle-income units
3. Direct staff to explore the feasibility of centralizing administration of affordable housing programs within the County to reduce costs for developers with administering individual programs

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EXPLORE AFFORDABLE AND INCLUSIONARY HOUSING PROGRAMS AND OPTIONS (PI-2)

Participation & Incentives

PROJECT OPTIONS

Consider developing an Affordable Housing or Inclusionary Housing Program to require that housing developments provide an affordable housing component as outlined in General Plan Policy H-1.9. Four options are provided for Board direction.

Option 1: General Plan Amendment (GPA) Affordable Housing Program

Consider requiring large GPAs to include an affordable housing component. This option would provide a flexible list of compliance options for applications to choose from and no set minimum number of affordable units.

Option 2: GPA Inclusionary Housing Ordinance

Consider requiring large GPA projects to provide a minimum percentage of units as affordable. This option would establish a minimum number of affordable units required as deed restricted units. The requirements could also be satisfied with commensurate alternatives such as payment of in-lieu fees.

Option 3: Large Project Inclusionary Housing Program/Ordinance

Consider expanding applicability of Policy H-1.9 beyond large GPAs to all large residential development projects of 50 units or more. This option could be an expansion of either Option 1 or 2.

Option 4: Comprehensive Inclusionary Housing Ordinance

Consider developing a comprehensive inclusionary housing ordinance to require projects of all sizes, above a minimum threshold of 10 units, to provide a minimum percentage of units as affordable. This option would establish a minimum number of affordable units required that would be deed restricted. The requirements could also be satisfied with commensurate alternatives.

BACKGROUND

The General Plan Housing Element includes Policy H-1.9: Affordable Housing through General Plan Amendments. This policy states: “Require developers to provide an affordable housing component when requesting a

General Plan amendment for a large-scale residential project when this is legally permissible.”

Affordable housing components are typically required through inclusionary housing programs. Inclusionary housing policies and ordinances generally require housing developments to set aside a percentage of units as affordable, provide affordable units off-site, or pay an in-lieu fee. Many affordable housing programs are combined with other incentives including Density Bonus Programs.

ANALYSIS

Inclusionary housing policies are local land use policies that link approvals for market-rate housing to the creation of affordable homes for low and moderate-income households. The primary goals of inclusionary housing programs are to expand the supply of affordable housing and promote social and economic integration. Affordable housing provides a greater range of housing choices, smaller unit options, and homes that are priced within reach for households at all income levels and life stages. Program criteria and implementation procedures must be carefully designed to avoid unintended consequences, including a reduction in overall housing production or increases in market-rate prices.

Costs associated with inclusionary housing programs are typically assumed by the home buyers or renters. Without the correct market conditions, an inclusionary housing program could render some housing projects infeasible and reduce overall housing production.

Based on best practices research, factors that are typically associated with successful inclusionary housing programs include:

- Strong housing markets,
- Flexible compliance options,
- Incentives that offset the cost to developers,
- Predictable programs with clear guidelines, and
- Mandatory as opposed to voluntary programs.

Within San Diego county (Region), eleven jurisdictions have inclusionary housing programs: Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Oceanside,

EXPLORE AFFORDABLE AND INCLUSIONARY HOUSING PROGRAMS AND OPTIONS (PI-2)

Participation & Incentives

Poway, San Diego, San Marcos and Solana Beach. Programs throughout the Region vary, but generally require that 10-15 percent of all new residential units be deed restricted as affordable.

The County of San Diego (County) can require an affordable housing component through the development of an Affordable Housing Program or Inclusionary Housing. Based on a review of statewide best practices and recent trends, four options are proposed for Board direction.

Option 1: General Plan Amendment (GPA) Affordable Housing Program

Consider requiring large residential GPA projects to include an affordable housing component. Large projects as defined in the Park Lands Dedication Ordinance (PLDO) are projects with 50 or more units. This option would not establish a minimum number of unit required. Instead it would provide a flexible list of compliance options. Examples of compliance options include: provision of smaller units or a higher density residential component on site; provision of accessory dwelling units on site; provision of affordable units through a Density Bonus Program; retrofitting of existing offsite affordable units; or making land available to non-profits for affordable housing construction. To develop Option 1 guidelines or a policy would to be developed for implementation.

Funding Needs	One-time Funding: \$240,000 (No CEQA document included)
Staffing Needs	Included in existing work program
Timeline	Medium Term (1-2 Years)

Option 2: GPA Inclusionary Housing Ordinance

Consider requiring large residential GPA projects to provide a minimum percentage of housing units to be set aside for targeted households through a formal inclusionary housing program. This option would need a new ordinance to require that affordable units be deed restricted. Payment of in-lieu fees or provision of affordable units off-site may be provided in lieu of providing affordable units on-site. The Board may set a minimum percentage of required affordable units and provide flexible compliance options as described in Option 1. To develop Option 2, the following funding and staffing needs are identified:

Funding Needs	One-time Funding: \$240,000 (No CEQA document included)
Staffing Needs	Included in existing work program
Timeline	Medium Term (1-2 Years)

Option 3: Large Project Inclusionary Housing Program/Ordinance

Consider expanding applicability of Policy H-1.9 beyond large GPAs to all large development projects. This option could be an expansion of either Option 1 or 2. To develop Option 3, the following funding and staffing needs are identified:

Funding Needs	One-time Funding: \$300,000 (includes CEQA: \$60,000)
Staffing Needs	Included in existing work program
Timeline	Medium Term (1-2 Years)

Option 4: Comprehensive Inclusionary Housing Ordinance

Consider developing a comprehensive inclusionary housing ordinance to require residential projects of all sizes, above a minimum threshold, to provide a minimum percentage of units to be set aside for targeted households. This option could include a sliding scale for smaller projects with commensurate alternatives to satisfy the requirements. To develop Option 4, the following funding and staffing needs are identified:

Funding Needs	One-time Funding: \$340,000 (Includes CEQA: \$85,000)
Staffing Needs	Included in existing work program

EXPLORE AFFORDABLE AND INCLUSIONARY HOUSING PROGRAMS AND OPTIONS (PI-2)

Participation & Incentives

Timeline Medium Term (1-2 Years)

For all options, staff recommends preparing an economic feasibility analysis be undertaken to evaluate how various program option(s) could impact the unincorporated area housing market. Factors for consideration include evaluating how a program could affect the price of market-rate units, overall housing production; and diversity of product types.

TO MOVE FORWARD WITH THE RECOMMENDATIONS

The Board may provide direction on one or a combination of the following recommendations:

- 1. Direct staff to prepare guidelines or policy to require GPA to provide an affordable housing component through a flexible list of compliance options and not set minimum number of affordable units required. (Option 1)
- 2. Revise the County’s Zoning Ordinance to require GPAs to provide a minimum percentage of housing units to be set aside for targeted households through a formal inclusionary housing program. (Option 2)
- 3. Revise the County’s Zoning Ordinance to require all large residential projects to provide a minimum percentage of housing units to be set aside for targeted households through a formal inclusionary housing program. (Option 3)
- 4. Revise the County’s Zoning Ordinance to establish a comprehensive inclusionary housing requiring residential projects of all sizes, above a minimum threshold, to provide a minimum percentage of units to be set aside for targeted households. (Option 4)
- 5. Direct staff to conduct an economic feasibility study to evaluate how program option(s) could impact the unincorporated areas (All Options)

ADDITIONAL ANALYSIS TO BE COMPLETED AS PART OF PROGRAM DEVELOPMENT

- 1. Determining a list of compliance options including but limited to provision of smaller units or a higher density residential component on site; provision of Accessory Dwelling units on site; provision of affordable units through a Density Bonus Program; retrofitting of existing offsite affordable units; or making land available to non-profits for affordable housing construction. (Option 1)
- 2. Determining a minimum percentage of units or minimum number of affordable housing units to be set aside for targeted households. Best practice review shows 10-15 percent of new residential are typically required to be affordable. (Options 2-4)
- 3. Determining what would be considered a large residential project for purposes of an Affordable or Inclusionary Housing Program. Large projects as defined in the Park Lands Dedication Ordinance (PLDO) are projects with 50 or more units. (Options 1-3)
- 4. Determining the minimum threshold of a residential projects to be subject to a Comprehensive Inclusionary Housing Ordinance. Best practice review shows minimum thresholds range from 2 to 10 units. (Option 4)
- 5. Determine criteria and parameters for supplemental studies that will help guide the types of units needed within specific communities

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ACCESSORY DWELLING UNITS (PI-3)

Participation & Incentives

PROJECT OPTIONS

Consider expanding the ADU program beyond State Law by making the permitting process easier and less expensive for homeowners, providing incentives and subsidies, and allowing greater flexibility. Four options are provided for Board direction. These are not mutually exclusive.

Option 1: Pre-Approved Plans and Program Development

Consider reducing permitting time and cost by providing pre-approved ADU plans to property owners, expedite plan check review and reduced permit fees.

Option 2: Waiver of Impact and Permit Fees

Consider reducing permitting costs by waiving development impact and permit fees for a five-year trial period.

Option 3: Junior Accessory Dwelling Units

Consider providing greater flexibility and a lower cost option by creating a Junior Accessory Dwelling category that costs less to build by converting an existing space within a house or addition and requires no additional parking.

Option 4: Subsidize Construction of ADU

Consider developing a pilot program to provide bridge funding to property owners to construct an ADU with a commitment to renting the ADU at an affordable rate.

better streamlined approvals, and expanding capacity to accommodate ADU development.

As of January 1, 2017, the County began implementing the new state standards and will update the Zoning Ordinance as part of the next Zoning Ordinance Clean-Up scheduled for early 2019. ADUs are allowed 'by-right' provided the ADU does not exceed 50% of the floor area of the primary dwelling, up to a maximum of 1,200 square feet.

ANALYSIS

ADUs can provide a more affordable housing option due to their smaller size and lack of additional land costs and infrastructure requirements. Many ADUs are rented at 80 to 120 percent of the Area Median Income (AMI). The additional income from renting out an ADU can help some homeowners remain in their homes. In addition, ADUs provide opportunities for rental housing and income diversity in neighborhoods that are often affordable only to high-income earners and are generally perceived as consistent with single-family neighborhoods.

Construction of ADUs could provide smaller housing types available to households that include young couples, students, young professionals and seniors. An ADU can also provide homeowners flexibility to respond to changing family needs. For example, ADUs can accommodate multi-generational families or senior households since they provide flexibility for aging in place or living with an extended family. The addition of an ADU can make it easier for seniors to remain in their neighborhood where they otherwise might be priced out.

Since passage of the new State Laws, there have been 126 ADUs permitted in the unincorporated area. Barriers to construction of ADUs include:

- Design, engineering, and construction costs;
- Permit and development impact fees;
- Utility connections costs;
- Lack of access to financing (loans);
- Inexperience with construction and permitting processes; and
- Owner occupancy requirements.

BACKGROUND

An Accessory Dwelling Unit (ADU) is an attached or a detached residential dwelling unit which provides complete independent living facilities for one or more persons. It includes permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as a single-family dwelling.

On January 1, 2017, the State of California (Sate) adopted three bills (SB 1069, AB 2299, and AB 2406) encouraging the production of ADU and requiring that the County of San Diego (County) update its current regulations. The new bills were aimed at reducing barriers, providing

ACCESSORY DWELLING UNITS (PI-3)

Participation & Incentives

Actions the County could take to encourage the construction of ADUs include making the permitting process easier and less expensive for homeowners, providing incentives, and allowing flexibility. Based on a review of best practices and recent trends, four options are proposed for Board direction.

Option 1: Pre-Approved Plans and Program Development

Consider reducing permitting time and cost by providing pre-approved ADU plans to property owners. This option proposes to create four to six plans that are pre-approved by the County ADUs that range from 800 to 1,200 square feet in size. By using such preapproved plans, applicants would qualify for expedited plan check review and reduced fees. To develop Option 1, the following funding and staffing needs are identified:

Funding Needs	One-time Funding: \$150,000 (No CEQA document included)
Staffing Needs	Included in existing work program
Timeline	Short Term (<1 Year)

Option 2: Waiving of Impact and Permit Fees

Consider reducing permitting costs by waiving development impact and permit fees for a five-year trial period starting January 1, 2019. This option would reduce or eliminates costs to homeowners for building permits and other fees related to the construction of an ADU on their parcel. To develop Option 2, the following funding and staffing needs are identified:

Funding Needs	\$2,200,000 in annual one-time costs over the five-year trial period
Staffing Needs	Included in existing work program
Timeline	Medium Term (1-2 Years)

Option 3: Junior Accessory Dwelling Units

Consider providing greater flexibility and a lower cost option by creating a Junior Accessory Dwelling category which costs less to build and requires no additional parking. This option would allow homeowners to convert a room contained within their existing primary residence for a Junior ADU up to a maximum of 500 square feet. To develop Option 3 a zoning ordinance update would be required to allow a Junior ADU. An item for consideration is whether a Junior ADU should be allowed in lieu of or in addition to an ADU. This option would not require

additional One-time Funding and would be completed using existing staffing levels. To develop Option 3, the following funding and staffing needs are identified:

Funding Needs	One-time Funding: \$0
Staffing Needs	Included in existing work program
Timeline	Short Term (<1 Year)

Option 4: Subsidize Construction of ADUs

Consider developing a pilot program in coordination with HCDS to provide bridge funding to property owners to construct an ADU with a commitment to renting the ADU at an affordable rate. This option would provide a loan for new ADU construction or to convert an existing space into an ADU. The subsidy would be provided in the form of a forgivable loan tied a commitment to renting the ADU at an affordable rate. Implementation needs for this option are not available at this time. Staff recommends monitoring implementation of similar subsidy programs in other jurisdictions and report back to the Board in one year.

TO MOVE FORWARD WITH THE RECOMMENDATIONS

The Board may provide direction on one or a combination of the following recommendations:

1. Direct staff to prepare a set of construction plans to reduce costs for existing single-family home owners that wish to construct an ADU
2. Revise the County's Fee Ordinance to reduce ADU fees for existing homeowners building an ADU
3. Revise the County's Zoning Ordinance to allow a portion of an existing single-family home to become a Junior ADU with no additional parking and determine if an ADU
4. Direct staff to monitor implementation of subsidy programs in other jurisdictions and report back to the Board in one year

ADDITIONAL ANALYSIS TO BE COMPLETED AS PART OF PROGRAM DEVELOPMENT

1. Provide direction on whether the Zoning Ordinance should be amended to be less restrictive than State law by eliminating parking or further reducing

ACCESSORY DWELLING UNITS (PI-3)

Participation & Incentives

setbacks for ADU. (Under State Law additional parking is not required for Junior ADUs).

2. Provide direction on whether the County Zoning Ordinance should allow an ADU and a Junior ADU on the same property.
3. General plan monitoring to assess effectiveness of each program

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EXPLORE OPTIONS TO RETAIN GENERAL PLAN CAPACITY AND TRANSFER OF DEVELOPMENT RIGHTS (GP-3)

General Plan & Community Plans

PROJECT OPTIONS

Consider creating opportunities to capture unrealized density and transfer development rights.

Option 1: Excess Dwelling Unit Bank

Consider establishing an Excess Dwelling Unit Bank to track unrealized residential units from downzoned properties or developments built out under the maximum density allowed. This option would provide the Board with discretion to allocate unrealized residential units on a case-by-case basis to maintain General Plan capacity.

Option 2: Limited-Scope TDR Policy (County Managed)

Consider developing a TDR policy with defined criteria for identifying sending and receiving sites to be evaluated by the Board on a case-by-case basis. This option would identify circumstances when use of TDRs would be used, such as General Plan Amendments.

Option 3: Transaction-Based TDR Program (Market Driven)

Consider developing a transaction-based TDR program with defined sending and receiving sites. This option would require Board direction to identify and map sending and receiving site to facilitate private-to-private market-rate transactions to transfer development rights between properties.

Option 4: Consider Impact of General Plan Initiative

Delay action on a TDR program and **monitor outcomes** of the election result for the ‘Safeguard our San Diego Countryside Initiative’ to assess its impact on a potential TDR program.

Option 5: Require Minimum Densities

Consider amending General Plan policies to require residential development be constructed to a minimum percentage of allowed densities.

directed staff to investigate establishing a Density Transfer Credit program, a Transfer of Development Rights (TDR), or an equivalent program in the County of San Diego (County), and to return with options for the Board to consider and provide direction.

Under current process and procedure, Public and Private General Plan Amendments are evaluated and assessed for consistency with General Plan Goals and Policies and with planning principles. The Board has the authority to approve projects consistent with these principles, or provide direction to PDS to process a Publicly Initiated General Plan Amendment, such as the Property Specific Requests (PSR) project. There is no restriction or limitation on the units that were projected as part of the 2011 General Plan.

ANALYSIS

TDR is a tool that removes the right to develop or build from one area (sending sites) and redirects, or transfers, development to designated areas (receiving sites). TDR programs are often established as cost-effective ways to preserve open space and achieve General Plan goals and policies to promote growth near infrastructure, services and jobs. TDR programs are voluntary and compensate owners to varying degrees for property rights.

The City of Carlsbad uses an “Excess Dwelling Unit” bank that provides a process for reallocating General Plan density based on stated criteria. Excess dwelling units are created when development is approved below the permitted growth management plan density. Property owners have chosen to develop below the maximum levels and voluntarily relinquished the units. This bank is a part of the Carlsbad’s Growth Management Program established by voter initiative in 1986. It is predicated on there being an overall “cap” on development.

Various options are available to promote attainment of General Plan housing capacity depending on the goals of the program. If the goal is to ensure that planned General Plan densities are achieved, the Board could direct staff to amend the General Plan to require minimum densities for specified development projects as identified in Option 1.

If the goal is to continue to allow property owners flexibility in selecting development intensity, but to

BACKGROUND

On March 28, 2018 the Board of Supervisors (Board) sought to address the potential loss of General Plan housing capacity that occurs when a development project results in a lower-density development than what was anticipated in the General Plan. The Board

EXPLORE OPTIONS TO RETAIN GENERAL PLAN CAPACITY AND TRANSFER OF DEVELOPMENT RIGHTS (GP-3)

General Plan & Community Plans

capture and reallocate “lost” units, establishment of an excess unit bank as identified in Option 2 would meet this intent. This option implies that the existing projection of General Plan housing capacity serves as a development cap.

If the goal is to preserve or maintain General Plan capacity, and to achieve other public policy goals, such as open space conservation or Climate Action Plan implementation, the County could develop a broader TDR program as identified in Options 3 and 4. Through targeted allocation of units, a TDR program could be designed to:

- Incentivize developers in exchange for affordable housing production
- Implement planning priorities as directed by the Board by directing transferred units to identified areas. Examples include correcting for jobs/housing imbalances as in the case of State Route 78 corridor, or reducing vehicle miles traveled to meet Climate Action Plan goals
- Facilitate the provision of infrastructure in villages by achieving economies of scale in new housing developments
- Provide a means to cost-effectively conserve open space

TDR programs can be complicated to design and implement. A TDR or equivalent program would include costs associated with the development and administration of the program. Market fluctuations may also influence the value of sending sites and be a barrier to potential program implementation. In addition, TDRs may inadvertently increase the value of sending sites that are currently devalued due to limited development potential. Furthermore, a program that relies exclusively on existing villages as the receiving sites may not be economically feasible, as unutilized capacity already exists in these areas. There may also be potential for community opposition to identifying and increasing density at receiving sites. Efforts like the Safeguard Our San Diego Countryside Initiative if passed by the voters could limit the implementation of a TDR program outside of Village Areas.

Four possible options for Board consideration are summarized on the following pages:

Option 1: Excess Dwelling Unit Bank

This program would establish an Excess Dwelling Unit Bank based on the tracking of unrealized residential units from downzoned properties or developments built out under the maximum density allowed. This program would provide the Board with discretion to allocate unrealized residential units on a case-by-case basis to maintain General Plan capacity. The bank would hold density that was voluntarily relinquished. Under the program sending sites are not compensated for the relinquished units, and receiving sites are not charged to use them. Allocation of excess units will be reported annually as part of the General Plan Progress Report and reconciled on a bi-annual basis through the General Plan Clean-up. Depending on the scope, implementing this option may require preparation of an Addendum to the General Plan Update (GPU) Program Environmental Impact Report (PEIR). To develop Option 1, the following funding and staffing needs are identified:

Funding Needs	One-time Funding: \$300,000 (Includes CEQA: \$90,000)
Staffing Needs	Included in existing work program
Timeline	Medium Term (1-2 Years)

Option 2: Limited-Scope TDR Program (County Managed)

Consider developing a TDR program with defined criteria for identifying sending and receiving sites to be evaluated by the Board on a case-by-case basis. This option would identify circumstances when use of TDRs would be used. This could include requiring property owner requests for General Plan Amendments (GPAs) to use the TDR program as the only available mechanism to increase density. Receiving sites could be linked to General Plan Policies LU-1.2 (criteria for new villages) and LU-1.4 (criteria for expanded villages). Receiving sites could also be identified incrementally through the Community Plan Update program. Depending on the scope, implementing this option may require preparation of an Addendum or a Supplemental EIR to the GPU PEIR.

Development projects that receive additional development rights through the program could be required to provide a public benefit through a cash in-

EXPLORE OPTIONS TO RETAIN GENERAL PLAN CAPACITY AND TRANSFER OF DEVELOPMENT RIGHTS (GP-3)

General Plan & Community Plans

lieu charge. Charges would vary based on land value for added flexibility. Site-specific pro forma analysis and variable pricing may be used to reflect the diversity of lands and help protect against artificially increasing the value of constrained properties within the unincorporated area. Funds received would be deposited into a publicly-managed revolving account and could potentially be combined with grants to implement Board priorities. To develop Option 3, the following funding and staffing needs are identified:

Funding Needs	One-time Funding: \$490,000 (Includes CEQA: \$110,000)
Staffing Needs	Included in existing work program
Timeline	Medium Term (1-2 Years)

Option 3: Transaction-Based TDR Program (Market Driven)

Consider developing a transaction-based TDR program with defined sending and receiving sites. This option would require Board direction to identify and map sending and receiving sites to facilitate private-to-private market-rate transactions to transfer development rights between properties. Sending sites could include desired Multiple Species Conservation Program (MSCP) Preserve lands, or other community priorities. Receiving sites could be identified as existing Village areas, or other areas. This option would rely on private-to-private market-rate transactions that may be facilitated by a third-party broker. Exchanges would be negotiated on a project by project basis at the decision-making level required by the future program. Exchanges would be programmatically approved, however a majority of projects would still require subsequent discretionary action, such as a Tentative Map or Site Plan, with approval from either the Planning Commission or Board of Supervisors. Depending on the scope, implementing this option will require preparation of an Addendum or a Supplemental EIR to the GPU PEIR. To develop Option 4, the following funding and staffing needs are identified:

Funding Needs	One-time Funding: \$800,000 (Includes CEQA: \$410,000)
Staffing Needs	Included in existing work program

Timeline Medium Term (1-2 Years)

Option 4: Consider Impact of General Plan Initiative

Delay action on a TDR program and monitor outcomes of the election result for the 'Safeguard our San Diego Countryside Initiative' to assess its impact on a potential TDR program. Staff will report back to the Board 180 days after the election with options. There are no costs associated with this option.

Timeline Long Term (>2 Years)

Option 5: Require Minimum Densities

Consider amending General Plan policies to require residential development be constructed to a minimum percentage of allowed densities. This option would change General Plan policy H-1.2 to require (rather than encourage) development intensity of at least 80 percent of the maximum permitted gross density for sites designated at 15 to 30 dwelling units per acre in development projects. This option may not be feasible if the percentage established for minimum densities is not aligned with market conditions in the unincorporated area. If minimum densities are not consistent with the market, this policy could discourage, or stifle, development. There is no cost to implement this option, as the policy would be amended during a biennial General Plan Clean-Up.

Timeline Medium Term (1-2 Years)

TO MOVE FORWARD WITH THE RECOMMENDATIONS

The Board may provide direction on the desired goals and approach to maintaining or increasing General Plan capacity, as reflected in the four options.

ADDITIONAL ANALYSIS TO BE COMPLETED AS PART OF PROGRAM DEVELOPMENT

1. Conduct public outreach to solicit feedback on the decision making process for project approvals.
2. Determine criteria and parameters for supplemental studies that will help guide program development.
3. Conduct a market analysis to understand demand and pricing for sending and receiving sites

EXPLORE OPTIONS TO RETAIN GENERAL PLAN CAPACITY AND TRANSFER OF DEVELOPMENT RIGHTS (GP-3)

General Plan & Community Plans

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ALLOW AND ENCOURAGE VARIED HOUSING TYPES (LDC-4)

Land Development Code

PROJECT OPTION

Explore new programs and ordinances as part of the Land Development Code and/or Community Plans to allow and incentivize a broader range of housing types, encourage innovative designs, and reduce regulatory barriers.

BACKGROUND

Regionally, housing being built is generally limited to higher priced single-family housing in the unincorporated area and higher density but not necessarily low to moderate-income housing in the cities. These housing products and price points limit affordability and options for those in different economic or life stages and leave us with a missing middle housing. These missing middle housing types for moderate and low-income families are not being produced.

Many jurisdictions are now recognizing that a wide range of housing types and construction techniques are needed to fill the gap. These types could be a number of types, allowing small lot single family homes, duplex, triplex or multiplex, bungalow courts, or mixed use such as live/work units.

Reliance on transit services, ride sharing programs, and car services can also result in reduced parking demands in certain circumstances and could be explored. Near transit areas there is also an associated increased demand for bicycle storage and necessary infrastructure and loading zones for car-sharing programs and peer-to-peer ridesharing.

ANALYSIS

As part of the Land Development Code and Community Plan Process, there is an opportunity to provide more flexibility to allow or encourage varied housing types. There is previous Board of Supervisors (Board) direction to update 15 community plans by 2030 to implement the Climate Action Plan with a purpose of reducing vehicle miles traveled. The community plan updates include extensive opportunities for stakeholder input as they are developed. The goal will be to simplify, and clarify requirements to guide encourage the production of a variety of housing product types.

The Community Plan updates will be coupled with amendments to the County of San Diego (County) Zoning Ordinance, and ultimately the Comprehensive Land Development Code. The existing Zoning Ordinance tends to produce single-family subdivisions and multi-family housing projects within village areas.

Commuters traveling by bicycle, walking, or mass transit reduce parking demands. In turn, this reduces vehicle miles traveled, which improves the environment and reduces traffic in residential neighborhoods. The development of a flexible parking within community plans could create incentives for necessary services or provision of housing within village areas.

Any change to these regulations will require community and public outreach to determine which regulations and areas should be modified. There is likely to be different perspectives on where these unit types should be allowed.

RECOMMENDATION

Investigate and develop the Land Development Code and Community Plans to focus on increasing housing affordability by providing variety in the range of housing types permitted by reducing regulatory barriers to development for the following missing middle housing types:

- Small Lot Single Family Homes / Tiny Homes,
- Detached Condominium Projects,
- Townhomes,
- Duplex, Triplex or Multiplex,
- Live Work Units or Mixed Use, or
- Courtyard apartments or Bungalow Courts

Ordinance amendments could reduce development standards to facilitate innovative design of single family detached housing on small lots for greater affordability. They could also evaluate enclosed or covered parking requirements to reduce regulatory barriers.

To develop this recommendation, the following funding and staffing needs are identified:

Funding Needs

One-time Funding: \$260,000
(No CEQA document included)

ALLOW AND ENCOURAGE VARIED HOUSING TYPES (LDC-4)**Land Development Code**

Staffing Needs	Included in existing work program
Timeline	Medium Term (1-2 Years)

TO MOVE FORWARD WITH THE RECOMMENDATIONS

The Board may provide direction to update the County's Zoning Ordinance and community plans to allow and incentivize a broad range of housing types.

ADDITIONAL ANALYSIS TO BE COMPLETED AS PART OF PROGRAM DEVELOPMENT

1. The program could also consider revising the Zoning Ordinance to allow parking alternatives. Reductions in vehicle parking requirements reduce the overall costs of housing production. When parking reductions are paired with the right type of building design or services, they can produce housing developments that support active transportation.
2. The Program will require public outreach, in the form of coordination with Community Planning and Sponsor Groups, public workshops, and ultimately hearings at the Planning Commission and Board of Supervisors.

* * * *

LITERATURE AND BEST PRACTICES REVIEW

Staff conducted an extensive best practices and literature review including recent reports on housing affordability published by academic institutions, think tanks, government agencies, and the private sector. A table summarizing the best practices and literature review has been prepared and includes the topic, source, publication date, description of the article, and internet link. Staff reviewed in excess of 2,000 pages of source material, including information related to San Diego county and articles produced at the national level. The Literature and Best Practice Review is included as Appendix B.

Local sources include, but are not limited to, the San Diego Regional Economic Development Corporation, the San Diego Regional Chamber of Commerce, San Diego Housing Commission, Point Loma Nazarene University, Union Tribune, and Voice of San Diego. National sources include, but are not limited to, National Association of Counties, Urban Land Institute, the American Planning Association, and Planetizen.

Staff also sought out best practices from regions and Cities experiencing housing shortages, such as Sacramento, Los Angeles, San Francisco, San Mateo County, Austin, and Seattle. Staff identified several common themes that emerged during the review that include streamlining review processes, expanding incentive programs and updating long range planning documents to provide greater certainty for

Appendix A: Options to Improve Housing Affordability in the Unincorporated Area
General Plan Goals & Policies

Goals & Policies	Description	Responsibility	Status
GOAL LU-3 Diversity of Residential Neighborhoods.	A land use plan that accommodates a range of building and neighborhood types suitable for a variety of lifestyles, ages, affordability levels, and design options.		
LU-3.1 Diversity of Residential Designations and Building Types.	Maintain a mixture of residential land use designations and development regulations that accommodate various building types and styles.	PDS	In May 2012, Residential Design Guidelines were prepared that included guidelines for multi-family housing in single-family neighborhoods. The preparation of additional design guidelines for multi-family housing will be added to the PDS Advance Planning work program for accomplishment when staff and resources become available.
LU-3.2 Mix of Housing Units in Large Projects.	Require new large residential developments (generally greater than 200 dwelling units) to integrate a range of housing types and lot and building sizes.	PDS	Ongoing. Included in the Options to Improve Housing Affordability in the Unincorporated County report
GOAL LU-4 Inter-jurisdictional Coordination.	Coordination with the plans and activities of other agencies and tribal governments that relate to issues such as land use, community character, transportation, energy, other infrastructure, public safety, and resource conservation and management in the unincorporated County and the region.		
LU-4.4 Development Compatibility with Military Facilities.	Ensure compatibility of new development with the current and planned mission and operations of U.S. government military installations.	PDS	Ongoing. Included in the Options to Improve Housing Affordability in the Unincorporated County report.
GOAL LU-9 Distinct Villages and Community Cores.	Well-defined, well-planned, and well-developed community cores, such as Villages and Town		

Appendix A: Options to Improve Housing Affordability in the Unincorporated Area
General Plan Goals & Policies

Goals & Policies	Description	Responsibility	Status
	Centers that contribute to a community's identity and character.		
LU-9.12 Achieving Planned Densities in Villages.	In villages, encourage future residential development to achieve planned densities through multi-family, mixed use, and small-lot single-family projects that are compatible with the community character.	PDS	<p>Ongoing. The Housing Coordinator works with applicants who propose development on parcels identified in the Housing Element Available Sites Inventory and within villages to achieve a minimum yield of 80 percent. This program is part of the PDS work plan and the need for zoning changes will be evaluated further when staff and resources become available.</p> <p>The achievement of maximum densities program has not yet started. The program will be added to the PDS Advance Planning work program for accomplishment when staff and resources become available.</p>
GOAL LU-12 Infrastructure and Services Supporting Development.	Adequate and sustainable infrastructure, public facilities, and essential services that meet community needs and are provided concurrent with growth and development.		
LU-12.1 Concurrency of Infrastructure and Services with Development.	Require the provision of infrastructure, facilities, and services needed by new development prior to that development, either directly or through fees. Where appropriate, the construction of infrastructure and facilities may be phased to coincide with project phasing.	PDS, DPW, DPR	As part of a project's review, applicants are required to obtain letters from service providers confirming connection/capacity availability. Where a project does not have connection or sufficient capacity, the County works with the applicant to determine an appropriate solution.
GOAL M-10 Parking for Community Needs.	Parking regulations that serve community needs and enhance community character.		
M-10.4 Shared Parking.	Support town center plans, when desired by the community that incorporate on street	PDS	The Zoning code has provisions for shared parking facilities with an AD permit.

Appendix A: Options to Improve Housing Affordability in the Unincorporated Area
General Plan Goals & Policies

Goals & Policies	Description	Responsibility	Status
	and/or shared vehicular parking facilities to reduce on-site parking requirements.		
M-10.5 Reduced Parking.	<ul style="list-style-type: none"> ■ Development of low-income and senior housing Accommodate appropriate reductions in onsite parking requirements in situations such as: ■ Development located near transit nodes ■ Employment centers that institute Transportation Demand Management programs ■ Development that integrates other parking demand reductions techniques such as parking cash out, when ensured by ongoing permit conditions 	PDS	Zoning code has provisions for reduced parking through development concessions for low-income and senior housing projects on development located near transit. Options for reduced parking are also included in Option to Improve Housing Affordability in the Unincorporated County report.
GOAL H-1 Housing Development and Variety.	A housing stock comprising a variety of housing and tenancy types at a range of prices, which meets the varied needs of existing and future unincorporated County residents, who represent a full spectrum of age, income, and other demographic characteristics.		
H-1.1 Sites Inventory for Regional Housing Needs Assessment (RHNA).	Maintain an inventory of residential sites that can accommodate the RHNA.	PDS	The Fifth Revision of the Housing Element was adopted and approved by HCDS in 2017 and included an updated residential sites inventory that satisfied the County's RHNA allocation.
H-1.2 Development Intensity Relative to Permitted Density.	Encourage a development intensity of at least 80 percent of the maximum permitted	PDS	Ongoing. PDS works with project applicant's to encourage a development intensity of at least 80 percent of the maximum

Appendix A: Options to Improve Housing Affordability in the Unincorporated Area
General Plan Goals & Policies

Goals & Policies	Description	Responsibility	Status
	gross density for sites designated at 15 to 30 dwelling units per acre in development projects.		permitted gross density for sites designated at 15 to 30 dwelling units per acre in development projects.
H-1.3 Housing near Public Services.	Maximize housing in areas served by transportation networks, within close proximity to job centers, and where public services and infrastructure are available.	PDS	Ongoing. PDS works with project applicant's to maximize housing in areas served by transportation networks, within close proximity to job centers, and where public services and infrastructure are available.
H-1.4 Special Needs Housing near Complementary Uses.	Encourage the location of housing targeted to special needs groups, in close proximity to complementary commercial and institutional uses and services.	PDS	Ongoing. PDS works with project applicants to encourage the location of housing targeted to special needs groups, in close proximity to complementary commercial and institutional uses and services.
H-1.5 Senior and Affordable Housing near Shopping and Services.	Provide opportunities for senior housing and affordable housing development within town centers, transit nodes, and other areas that offer access to shopping and services.	PDS	Ongoing. PDS works with project applicants to provide opportunities for senior housing and affordable housing development within town centers, transit nodes, and other areas that offer access to shopping and services.
H-1.6 Land for All Housing Types Provided in Villages.	Provide opportunities for small-lot single-family, duplex, triplex, and other multi-family building types in Villages.	PDS	Ongoing. For smaller single-family lots, this program is part of the PDS Work plan and will be accomplished in coordination with community planning groups when staff and resources become available.
H-1.7 Mix of Residential Development Types in Villages.	Support the design of large-scale residential developments (generally greater than 200 dwelling units) in Villages that include a range of housing types, lot sizes, and building sizes.	PDS	Ongoing. PDS works with project applicants to support the design of large-scale residential developments (generally greater than 200 dwelling units) in Villages that include a range of housing types, lot sizes, and building sizes.
H-1.8 Variety of Lot Sizes in Large-Scale Residential Developments.	Promote large-scale residential development in Semi-Rural that	PDS	Ongoing. PDS works with project applicants to promote large-scale residential development in Semi-Rural that include a range of lot sizes to improve housing choice.

Appendix A: Options to Improve Housing Affordability in the Unincorporated Area
General Plan Goals & Policies

Goals & Policies	Description	Responsibility	Status
	include a range of lot sizes to improve housing choice.		
H-1.9 Affordable Housing through General Plan Amendments.	Require developers to provide an affordable housing component when requesting a General Plan amendment for a large-scale residential project when this is legally permissible.	PDS & HCDS	Included in the Options to Improve Housing Affordability in the Unincorporated County report
GOAL H-3 Housing Affordability for All Economic Segments.	Affordable and suitable housing for all economic segments, with emphasis on the housing needs of lower income households and households with special needs.		
H-3.1 Federal Funding to Expand Affordable Housing.	Pursue funding from federal, State, and local sources to expand affordable housing opportunities within the unincorporated County.	HCDS	PDS coordinates with the County's Office of Strategy and Intergovernmental Affairs when reviewing and commenting on proposed new legislation that would help improve the County's ability to obtain funding for workforce and affordable housing.
H-3.2 Equitable Share of Federal Funding.	Advocate for an equitable share of available federal and State housing funds for subsidizing affordable housing development within unincorporated County areas.	HCDS	Ongoing. PDS coordinates with the County's Office of Strategy and Intergovernmental Affairs and Housing and Community Development Services to advocate for an equitable share of available federal and State housing funds for subsidizing affordable housing development within unincorporated County areas.
H-3.3 Density Bonus as a Means to Develop Affordable Housing.	Provide a local density bonus program to encourage the development of housing affordable to lower income households and special needs households.	PDS & HCDS	The density bonus provisions are reviewed annually by the Housing coordinator for compliance with State law. PDS continues to implement density bonus provisions to encourage senior housing in Village areas and Transit Nodes.
H-3.4 Housing for Moderate-Income Families in Villages.	Facilitate the production of housing for moderate income families within Villages by permitting developments that offer affordable housing to	PDS	Ongoing. PDS works with projects applicants to facilitate the production of housing for moderate income families within Villages by permitting developments that offer affordable housing to incorporate other compatible housing types within areas zoned for single-family residential development.

Appendix A: Options to Improve Housing Affordability in the Unincorporated Area
General Plan Goals & Policies

Goals & Policies	Description	Responsibility	Status
	incorporate other compatible housing types within areas zoned for single-family residential development.		
H-3.5 Incentives for Developments with Lower-Income Housing.	Provide zoning and other incentives to support developments that incorporate housing for lower-income households or households with special needs.	PDS	The density bonus provisions are reviewed annually by the Housing Coordinator for compliance with State law. PDS continues to implement density bonus provisions to encourage senior housing in Village areas and Transit Nodes.
H-3.6 Housing for Special Need Populations.	Support programs that provide housing options for homeless individuals and families, particularly homeless farmworkers and day laborers.	HCDS	HCDS continues to administer the Landlord Incentive program providing monetary incentives to landlords willing to rent to veterans and persons experiencing homelessness. HCDS has employed Housing Navigators to assist clients utilizing landlord incentives to connect to landlords and mitigate issues in the process; Housing Navigators work closely with the Landlord Liaison.
H-3.7 Alternative Affordable Housing Options.	Provide programs that support the development of alternative types of affordable housing such as farmworker housing, second dwelling units, manufactured or mobile homes, shared housing, and employee or workforce housing.	PDS & HCDS	Streamlined permitting procedures were updated in 2017 to reflect new State legislation for ADUs. New programs Included in the Options to Improve Housing Affordability in the Unincorporated County report.
H-3.8 Housing Services Support.	Continue to provide fair housing and tenant/landlord services to residents and property owners and managers throughout the unincorporated area pursuant to federal and State Fair Housing laws.	HCDS	Ongoing. On October 29, 2014 (1), the Board adopted an amendment to the County Code to add Chapter 8 to Title 8, Division 6, for Reasonable Accommodation that provides procedures to request reasonable accommodation for persons with disabilities seeking equal access to housing under the Federal Fair Housing Act and the California Fair Employment and Housing Act (the Acts) in the application of zoning laws and other land use regulations, policies and procedures.
GOAL H-4 Affordable Housing Preservation.	Programs that conserve housing currently available and affordable to lower income households, and programs that		

Appendix A: Options to Improve Housing Affordability in the Unincorporated Area
General Plan Goals & Policies

Goals & Policies	Description	Responsibility	Status
	prevent or reverse deterioration in areas exhibiting symptoms of physical decline.		
H-4.1 Rehabilitation and Revitalization Strategies.	Promote and support rehabilitation and revitalization strategies aimed at preserving the existing supply of affordable housing.	HCDS	In 2017, the Home Repair Loan and Grant program provided assistance to 69 households in the unincorporated area. In 2017 HCDS awarded HOME funding for 143 new units and 28 acquisition /rehabilitation units. Of the new units, 81 are in the unincorporated County.
H-4.2 Redevelopment of Deteriorated Housing.	Encourage and support residential redevelopment in areas characterized by deteriorated housing.	HCDS	Ongoing. PDS works with project applicants to encourage and support residential redevelopment in areas characterized by deteriorated housing.
GOAL H-5 Constraints on Housing Development.	Promote governmental policies or regulations that do not unnecessarily constrain the development, improvement, or conservation of market rate or affordable housing.		
H-5.1 Periodic Review of Housing Regulations.	Periodically review and, if appropriate, revise development standards, regulations, and procedures to facilitate the development of housing, with priority given to low and moderate-income households and households with special needs.	PDS	PDS periodically conducts Zoning Ordinance clean-ups to revise and update development standards.
H-5.2 Permit Processing Time.	Reduce permit processing time and costs for projects with priority given to projects that produce housing for lower income households.	PDS	PDS emphasizes improvements to project processing and customer service. In 2013, a ministerial process to approve site plans was adopted as well as updated parking requirements.
H-5.4 Flexibility in Regulations.	Modify regulations, as appropriate, to streamline regulatory processes, remove unnecessary obstacles to	PDS	PDS periodically conducts Zoning Ordinance clean-ups to revise and update development standards.

Appendix A: Options to Improve Housing Affordability in the Unincorporated Area
General Plan Goals & Policies

Goals & Policies	Description	Responsibility	Status
	planned densities, and to provide flexibility so that development can respond to the unique characteristics of town center areas.		
GOAL H-6 Delivery of Housing Services.	An institutional framework that effectively delivers housing services and programs to implement the goals, policies, and programs of this Housing Element.		
H-6.1 Coordinated Delivery of Programs.	Coordinate delivery of housing programs and services among various County departments.	PDS & HCDS	Ongoing coordination among various County departments
H-6.2 Ongoing Implementation Monitoring.	Monitor progress in implementing the goals and objectives adopted in this Housing Element.	PDS & HCDS	The Fifth Revision of the Housing Element was adopted and approved by State HCDS in 2017. The implementation programs were reviewed and revised with the update and will be reviewed each year for this annual report.
H-6.3 Legislation That Recognizes Challenges of Unincorporated Communities.	Pursue State-level housing and land use legislation that recognizes the diversity of unincorporated communities and the associated challenges faced by County governments.	PDS	Ongoing coordination with the Office of Strategy and Intergovernmental Affairs regarding potential new legislation and any new legislation proposed.
H-6.4 Affordable Housing on Suitable County-Owned Properties.	Facilitate the development of affordable housing on suitable, County-owned surplus properties.	DGS	Ongoing. The County adheres to surplus land sale requirements related to availability for affordable housing
H-6.6 Outreach for Affordable Housing.	Promote the production and acceptance of affordable housing through educational outreach to developers, non-profit housing groups, the public, community groups, other jurisdictions, and County staff.	HCDS	This information is available to the public on the PDS web site: http://www.sandiegocounty.gov/content/sdc/pds/bldgforms.html#all

**Appendix A: Options to Improve Housing Affordability in the Unincorporated Area
General Plan Goals & Policies**

Appendix B: County of San Diego Housing Affordability Strategy Literature Review - September 2018

	Topic	Title	Publish Date	Type of Source	Author Name	Source	Summary	Link to Article
Accessory Dwelling Units								
1	Accessory Dwelling Units	Making Portland ADUs More Affordable 3 pages	2018	News Article	Casey Brazeal	Planetizen	According to the article, a startup called Dweller is helping to increase the number of dwelling units in Portland. The company builds the ADU for the homeowner, retaining the ownership of the ADU for 25 years. During this period, the company will rent the unit and hand over 30% of the rent to the homeowner. After the 25-year period, the unit will be transferred to the homeowner, who will then own it outright without having paid anything. A large lot isn't necessary to accommodate these units. A unit could be built on a 5,000-square-foot lot without encroaching into the setbacks. There are no recommendations suggested in this report.	https://www.planetizen.com/node/99161?utm_source=newswire&utm_medium=email&utm_campaign=news-06182018&mc_cid=616ccad6d1&mc_eid=7b319036cf
2	Accessory Dwelling Units	San Diego Shrinks "Granny Flat" Fees to Spur Construction Amid Housing Crisis	2018	News Articles	David Garrick	San Diego Union Tribune	<p>The article describes how the City of San Diego is using ADUs to address the lack of affordable housing. The City of San Diego is shrinking fees to build ADUs and will pre-approve design templates that will accelerate approvals and limit architecture costs.</p> <p>According to this article, ADUs are increasingly viewed as an innovative way to create more housing without more land or infrastructure, making them the fastest and cheapest way to increase the local supply of affordable housing. They can help: College students; Young people with low-paying jobs; Senior citizens on fixed incomes. The article points out that, probably because of its high fees, San Diego has seen less construction of ADUs than other major California cities since the state loosened regulations in 2016. Fees to build ADUs in San Diego, which vary by neighborhood, typically range from \$30,000 to \$49,000 per unit. The change lowers that total by as much as 50%, depending on a variety of factors. The legislation eliminates water and sewer hookup fees and a development fee based on the City's General Plan. Shrinks fees to help fund amenities needed to serve new housing, such as fire stations, library branches, parks, and widened roads.</p> <p>ADUs fit with the goal of fostering "smart growth," in which new housing is built along transportation corridors to avoid the congestion attributed to urban sprawl. According to the article, the fee reduction would cost the City an estimated \$900,000 per year if 100 ADUs are built. But the City will only be missing out on potential revenue, not losing money it already collects, because very few ADUs have been constructed in recent years. There are no recommendations suggested in this report.</p>	http://www.sandiegouniontribune.com/news/politics/sd-me-granny-flats-20180501-story.html
3	Accessory Dwelling Units	Building an ADU – Guidebook to Accessory Dwelling Units in the City of Los Angeles 11 pages	2017	Report	Dana Cuff, Jane Blumenfeld	CityLab	<p>This document is a guide to building ADUs in Los Angeles. The guidebook provides: Information that can help owners to start the process and prepare basic documents that the City would require; helpful advice, websites, phone numbers, and office locations where more specific questions can be answered.</p> <p>The Guidebook chapters includes: Introduction; Can I Add a Unit to My Home?; Types of ADUs; Examples of ADU Floor Plans; Checking for Eligibility; Parking; What's Next?; Drawing Your ADU; FAQ. There are no recommendations suggested in this report.</p>	https://www.ladbs.org/docs/default-source/publications/misc-publications/adu-guidebook.pdf?sfvrsn=12

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Affordable Housing Location								
4	Affordable Housing Location	Location Matters: Affordable Housing and VMT Reduction in San Diego County 13 pages	2016	Report	Not Specified	San Diego Housing Federation	Lower-income households drive significantly less than median-income households in San Diego County. Households with the lowest income (those earning 50% of median income or less) drive 10–12.9 fewer miles per day. Meanwhile, high-income households drive nearly 6 miles more than median-income households. Recommendations: Lower-income households living near transit own fewer cars, live in smaller units, and are likely to live in larger buildings. Therefore, affordable housing near transit would be a more efficient use of space with lower per-unit costs than market-rate housing.	http://1p08d91kd0c03rlxhmhtydpr-wpengine.netdna-ssl.com/wp-content/uploads/2016/09/AffordableHousingAndVMTReduction.pdf
5	Affordable Housing Location	Innovation Report 32 pages	2014	Report	Not Specified	Connect	This report examines the growth that San Diego has experienced as far as economy, employment, and venture capital. This report has statistics and charts and is essentially a fact sheet. There are no recommendations suggested in this report.	http://live-connect-site.pantheon.io/sites/default/files/2017_CONNECT_Springboard-Impact-Report_FINAL_for%20Digital.pdf
6	Affordable Housing Location	Housing Supply and Affordability 5 pages	2004	News Article	Benjamin Powell, Edward Stringham	Reason.Org	Background Information: The article is based on actual affordable housing production in the Bay Area where more than 50 cities have inclusionary housing. The study estimates the effects of price controls by comparing market price to the average level of the price controls in each city, resulting in the average cost of each price-controlled unit and the total costs for each city. The study concludes the following: Inclusionary zoning produces few units; Inclusionary zoning has high costs; Inclusionary zoning makes market-priced homes more expensive; Inclusionary zoning restricts the supply of new homes; Inclusionary zoning costs government revenue; Price controls do not address the cause of the affordability problem. Recommendation: Governments should pursue policies that encourage the production of new housing that that would include ending the price control of inclusionary zoning.	https://reason.org/policy-study/housing-supply-and-affordabili/
California Economy								
7	California Economy	Roadmap to Shared Prosperity 10 pages	2016	Report	George Shultz	CA-Economy	The California Economic Summit has emerged and identifies some goals and initiatives to help with the housing crisis. Recommendations: (1) Setting goals consistent with California values—the Summit will support legislation defining tangible state metrics for upward mobility and establishing a system for tracking progress. (2) Ensuring rural areas aren't left behind—the Summit will launch a statewide collaborative committed to advancing the sustainable development of rural regions. (3) Making it last—by modeling resiliency for every region, the November 15-16 Summit in Santa Rosa will focus on the need for resiliency in every region, whether it is from natural disasters, climate changes, or economic uncertainty.	http://caeconomy.org/resources/entry/2018-roadmap-to-shared-prosperity

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Construction and Cost								
8	Construction and Cost	Building Affordability by Building Affordability: Exploring the Benefits, Barriers, and Breakthroughs Needed to Scale Off-Site Multifamily Construction 15 pages	2017	Report	Carol Galante, Sara Draper-Zivetz, Allie Stein	Terner Center for Housing Innovation at UC Berkeley	According to the article, in the United States today, nearly one in three American households spends more than 30 percent of their income on housing. These numbers are more pronounced in high-cost regions like the Bay Area, where skyrocketing rents and home prices mean that even middle income earners are struggling to find a place they can afford to live. The article asserts that practical strategies that can facilitate the cost-effective production of more housing are urgently needed to relieve the cost pressure on the market, and on the working American family. Recommendations: Off-site construction is a construction method in which either individual components or modules of a development are built off-site in a factory and then transported and assembled on-site. It provides a time and cost savings, and the promise of technologically driven enhancements in efficiency and precision in the construction process, a safer and more productive work environment (as compared to traditional construction sites), and employment opportunities for a more diverse labor pool. The primary struggle with this method is that factories are going out of business or fighting to maintain viability. As housing becomes more expensive, this method can deliver more cost-effective construction to the market.	http://ternercenter.berkeley.edu/uploads/offsite_construction.pdf
Economic Statistics								
9	Economic Statistics	San Diego's Quarterly Economic Snapshot 5 pages	2017	Report	Kirby Brady	San Diego Regional EDC	San Diego's labor market shows steady growth, adding 18,500 jobs in 2016, which is a 1.3% increase. San Diego's housing market remains one of the most expensive in the nation according to the National Association of Realtors. The median home price increased 0.6% from the previous quarter and 8.4% from the previous year. There are no recommendations suggested in this report.	http://www.sandiegobusiness.org/sites/default/files/San%20Diego%20Economic%20Snapshot%20February%202017.pdf
10	Economic Statistics	San Diego-Carlsbad, California, Comprehensive Housing Market Analysis – 2016 14 pages	2016	Report	Ikuo J. Nakano	Office of Policy and Research	Economic conditions have improved in the San Diego Housing Market Area (HMA) since 2010. Nonfarm payroll growth in the HMA has averaged 30,900 jobs, or 2.4%, annually since 2010 as the economy recovered from the recession. For-sale housing market conditions in the HMA are tight, with an estimated 0.9% vacancy rate, down from 1.9% in 2010. Rental housing market conditions in the HMA are currently tight, with an estimated 3.6% vacancy rate. There are no recommendations suggested in this report.	https://www.huduser.gov/portal/publications/pdf/SanDiegoCA-comp-16.pdf
11	Economic Statistics	A Product of the Regional Jobs Strategy 8 pages	2016	Study	Not Specified	San Diego Regional Chamber Foundation	The San Diego Regional Chamber Foundation partnered with the County of San Diego, the City of San Diego, and the San Diego Association of Governments to establish goals, objectives, and strategies on the issues that matter most for job creation such as supporting trade economies and core industries, reducing the cost of living and promoting and reducing trade barriers. Recommendations: To implement the goals, objectives, and strategies identified in the Study.	https://sdchamber.org/wp-content/uploads/2017/02/Regional-Job-Strategy-Final-Report-1.pdf

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12	Economic Statistics	2014 Comprehensive Housing Market Analysis, City of Austin [Texas] 98 pages	2014	Report	Not Specified	BBC Research	The majority of low-income households represented in the survey are renters (65%), who tend to be younger and more racially and ethnically diverse than low-income owners. Renters pay almost as much as owners for their housing: \$820 in monthly rent, compared to the average \$983. To avoid being cost burdened, low-income renters and owners should pay no more than \$625 per month in housing costs. Nearly one in five renters reported being at risk for eviction in the past year. There are no recommendations suggested in this report.	https://austintexas.gov/sites/default/files/files/NHCD/2014_Comprehensive_Housing_Market_Analysis_-_Document_reduced_for_web.pdf
13	Economic Statistics	San Diego, California, Comprehensive Housing Market Analysis – 2014 21 pages	2014	Report	Wendy Lynn Ip	Office of Policy and Research	Economic conditions have strengthened in the San Diego Housing Market Area (HMA) since 2010. Nonfarm payrolls increased by 28,700 jobs, or 2.2%, to nearly 1.33 million jobs. For sale housing market conditions in the HMA are balanced, with an estimated 1.2% vacancy rate, down from 1.9% in 2010. During the next three years, demand is expected for 14,050 new homes. Rental housing market conditions in the HMA are currently slightly tight, with an estimated 4.8% vacancy rate. There are no recommendations suggested in this report.	https://www.huduser.gov/publications/pdf/SanDiegoCA_comp_2014.pdf
14	Economic Statistics	Housing Market Profiles 5 pages	2014	Report	Not Specified	Office of Policy and Research	A total of 36,800 existing homes were sold, a decrease of 2,200 homes sold, or 6%, from the 39,000 homes sold during the 12-month period ending June 2013. The average sales price for new homes was \$672,200, an increase of \$116,900, or 21%, compared with the average price during the same period in 2013. There are no recommendations suggested in this report.	https://www.huduser.gov/portal/periodicals/USHMC/reg//SanDiegoCA_HMP_Jul14.pdf
Greenhouse Gas Emissions Impact								
15	GHG Impact	Housing and Climate Change					Residential development occupies the largest share of land use, affecting regional development footprint and travel patterns. Development patterns influence GHG emissions expended in transportation sector because of the proximity and connectivity of jobs and housing. Recommendations: Relax development standards and zoning requirements. By doing this they result in : smaller footprints; reduced parking requirements; mixes uses, innovative ownership strategies; and higher densities. The other recommendation is to preserve existing affordable housing. This results in mitigating negative impacts on the economy and natural resources, ensure long term economic viability, direct energy savings, reduces consumption, and demonstrates visible investment in disadvantaged communities.	Need Link Article

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Housing Costs								
16	Housing Costs	City of San Diego Housing Inventory Annual Report 32 pages	2018	Report	Not Specified	City of San Diego	The City of San Diego has been identified as one of the least affordable cities in the United States. Local leaders have described the issue as “the single greatest threat to our region’s economy.” The lack of affordable housing is not only a problem for low-income residents and for those with special needs, but also for moderate-income working families and young professionals. Approximately 70% of moderate-income households cannot afford homeownership, and more than 30% cannot afford rent. To accommodate San Diego’s growing population and continued economic development, housing production must meet both present and future demands. Recommendations: Implement the Housing SD Plan, which includes a series of regulatory reforms that are intended to address housing affordability, improve review processes, facilitate more affordable housing, and support the Climate Action Plan.	https://www.sandiego.gov/sites/default/files/housing-inventory-annual-report.pdf
17	Housing Costs	What a \$500,000 Home Looks Like Around California 16 pages	2018	News Article	Matt Levin	CALmatters	<p>Although the median price of a California single-family home is already over half million dollars, it is still not even close to Silicon Valley prices. The median price of a single-family home in Santa Clara County hit \$1.4 million in March 2018. As a result of high housing prices, residents are starting to look for other places to live. According to data from the California Department of Finance, Santa Clara County lost 17,000 more residents to other parts of the state or country than it gained last year.</p> <p>LOS ANGELES COUNTY</p> <p>As a result of the rising cost of housing, Los Angeles County saw the largest drop in net domestic migration, losing 58,000 more residents than it brought in. A County’s median home price broke \$600,000 in late 2017. With a \$500,000 budget, options are very limited in regions relatively close to downtown LA. Only very small houses are available.</p> <p>SACRAMENTO</p> <p>Sacramento is housing many former Los Angeles and Bay Area residents. Buyers can still find reasonable housing for \$500,000. This has resulted in a large population increase. Sacramento saw the largest population growth of any major city in California last year, breaking 500,000 residents for the first time. A five-bedroom, three-bath home in Elk Grove, an affluent Sacramento suburb, would cost \$490,000. These migrations may be making Sacramento unaffordable to Sacramentans.</p> <p>RENO, NEVADA</p> <p>Real state agents usually help one Californian per day, who are from places like the Bay Area, Los Angeles, or Sacramento and are considering buying housing in Nevada. However, as a result of the arrival of a Tesla manufacturing facility, housing prices jumped from about \$300,000 in 2015 to nearly \$420,000 in 2018. There are no recommendations suggested in this report.</p>	https://calmatters.org/articles/what-a-500000-home-looks-like-around-california-and-how-it-shapes-where-we-move/

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18	Housing Costs	High Housing Costs Are Driving Out Lower-Income Californians 3 pages	2018	News Article	Andrew Khouri	San Diego Union Tribune	<p>This article was written in reference to a report written by Beacon Economics. The article supports the argument that California is losing more residents than gaining new ones and that this negative domestic migration can hurt the economy. California will need to provide housing for all income levels in order to maintain a robust economy (Beacon Economics). From 2006 to 2016, 1.09 million more people left California for other states than moved here from other places in the United States. The state’s median home price is now \$537,315, reflecting a compounded annual growth rate of nearly 10% since 2012 (Zillow). The median rent for a vacant apartment jumped by an annual rate of nearly 5.5% to \$2,428, which resulted in more people leaving California (Beacon Economics). In 2016, 41,000 more households left the state than moved in. That’s more than the 23,000 in each of the prior two years, and the only 3,400 in 2012, though it’s less than the 46,300 that left in 2015. Migration results differ throughout the state -the San Francisco Bay Area, which has the highest median home prices in the state, had more people arriving from out of state than leaving each year from 2014 to 2016. The positive figures in the northern part of the state reflect the region's technology boom, which attracted many people from out of state who could afford to live there on high-tech salaries. However, job growth has recently slowed in the tech sector, as has the rate of people moving to the Bay Area. According to the article, it is difficult to recruit and retain employees when they could accept jobs in other states and pay a fraction of California's housing costs. There are no recommendations suggested in this report.</p>	http://www.sandiegouniontribune.com/business/la-fi-housing-costs-migration-20180503-story.html
19	Housing Costs	Rising Costs Threaten Millions with "Housing Instability" Harvard Report Says 5 pages	2018	News Article	Jeff Collins	Orange County Register	<p>This article discusses the finding from a Harvard study regarding the national housing crisis. The Harvard study found that, unless the federal government takes action, millions of Americans will face the specter of housing instability. The study suggested that a more robust federal response is essential to any meaningful progress in combating the nation’s housing affordability crisis. According to the article almost a third of US households (38 million) and half of all renters (21 million) were cost burdened in 2016. In the 1960s, 24% of renters were cost burdened. In 2016, the percentage increased to 48%. 10% of homeowners and a fourth of all renters are “severely” cost burdened, meaning they spend at least half of their earnings on monthly housing costs. Federal rental assistance failed to keep up with the increasing numbers who qualify for such help. From 1987 to 2016, the number of very low-income renters grew by 6 million, while the number getting assistance rose by less than 1 million. Rather than expanding assistance, the Trump administration is seeking to raise the rent recipients pay to 35% of their gross income from the current 30%. 17% of HUD-assisted households and 31% of those getting Section 8 rent vouchers already are cost burdened because rents set by HUD have failed to keep pace with the actual rents landlords are charging. There are no recommendations suggested in this report.</p>	https://www.ocregister.com/2018/06/19/rising-costs-threaten-millions-with-housing-instability-harvard-report-says/

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20	Housing Costs	28,152 Affordable Rental Homes Lost in California; 31,988 More at Risk Over Next Five Years 3 pages	2017	Scholarly Article	Danielle Mazzella	California Housing Partnership Corporation	A 2017 risk assessment shows that California has already lost 28,152 affordable homes, 14,559 of which had HUD Section 8 subsidies recaptured by the federal government. While California still has 118,144 affordable rental homes supported by Section 8, there is a strong risk of losing a significant portion of these remaining affordable homes without action at the state and local levels. The loss of Section 8-assisted properties affects extremely low-income renters earning 30% or less of the Area Median Income and also the elderly and/or disabled. Another 31,988 affordable rental homes are now at risk of conversion in the next five years. There are no recommendations suggested in this article.	http://www.calhfa.ca.gov/about/events/board-meetings/books/2017/2017-03-13/20170313-handout-AffordableRentalHomesLost.pdf
21	Housing Costs	Why the Housing Crisis Won't Get Fixed By Building Cheaper Homes 8 pages	2017	News Article	Jerry Nickelsburg	ZocalPublicSquare	<p>The author criticizes the idea that unaffordable housing is caused by, almost everywhere and every time, housing supply restrictions. Unaffordable places have a high demand for housing, and a moderate change in zoning and building standards will not correct this problem. Points out that more affordable housing could increase San Francisco’s population by 100% or more. The article suggests that prices are not just a supply phenomenon, but are rather an interaction between supply and demand.</p> <p>Recommendations: Santa Clara County built high-quality affordable housing that it rents to schoolteachers. Author argues what won't work are overly broad measures, such as directing developers to make 20 percent of their units affordable in exchange for building permits. The article argues that such policies generate homes for only a very few San Franciscans but attract more newcomers.</p>	http://www.zocalopublicsquare.org/2017/03/22/housing-crisis-wont-get-fixed-building-cheaper-homes/ideas/nexus/
22	Housing Costs	California’s High Housing Costs – Causes and Consequences 44 pages	2015	Report	Chas Alamo, Brian Uhler, Marianne O'Malley	Legislative Analysis's Office	According to the report, beginning in about 1970, the gap between California's home prices and those in the rest of the county started to widen. Insufficient housing exists in the state's major coastal communities to accommodate all of the households that want to live there. In these areas, local resistance to housing, environmental policies, lack of fiscal incentives for local governments to approve housing, and limited land constrain new housing construction. Recommendations: Recognize the targeted role of affordable housing programs. Have the Legislature target programs that assist those with limited access to market-rate housing and see how they could implement broader changes that facilitate more private housing construction. Also construct more private housing in coastal urban areas.	http://lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.aspx

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Housing Supply and Demand								
23	Housing Supply and Demand	San Diego's Housing Crisis Does Not Affect Everyone Equally 7 pages	2018	News Article	Russell A. York	Voice of San Diego	<p>The author suggests that San Diego is not facing a “housing crisis.” He claims that for a housing crisis to occur, the lack of inventory would be at all levels of the market, when in reality, the county is only lacking very low-, low-, and moderate-income units.</p> <p>The author asserts that San Diego is overproducing high-end supply, and high-income earners’ income is outpacing the market price for housing and criticizes the argument that decreasing the production of housing for high incomes will lead to increased prices of housing for lower and moderate incomes. Since, according to the article, the higher-income families would be able to outbid the lower/moderate-income families. Recommendations: That the "greatest" cities I the world -- Vancouver, Singapore, Hong Kong, New York -- cannot sprawl due to geographic restraints and increase density to deal with the issue. Also encourages incorporating more mixed uses into development.</p>	https://www.voiceofsan-diego.org/topics/opinion/san-diegos-housing-crisis-does-not-affect-everyone-equally/?utm_source=Voice-of+San+Diego+Master+List&utm_campaign=ef08194743-Morning_Report&utm_medium=email&utm_term=0_c2357fd0a3-ef08194743-81845333&goal=0_c2357fd0a3-ef08194743-81845333
24	Housing Supply and Demand	Building Homes: County Funding for Affordable Housing 30 pages	2018	News Article	Stacy Nakintu, Jonanthan Harris	National Association of Counties	<p>This article analyzes housing affordability at the county level, describes how rising costs affect county government operations, and includes an overview of the county's role in addressing the problem. It features three case studies of counties that are implementing innovative solutions to fund the development and preservation of affordable housing: Nashville-Davidson County, Tennessee; the Texas Housing Foundation; and Hennepin County, Minnesota. The article explains that when trying to combat rising housing costs, counties face different sets of challenges based on their population levels. High housing costs place pressure on county social services: no homelessness; evictions; employment instability (individuals struggle to keep a job under the stress of a potential or an actual eviction); family health and educational outcomes, which affects county services over the long term; county economies. In the short term, when county governments invest in the development of affordable homes, they generate jobs directly in the fields of construction, architecture, and engineering, and indirectly in local restaurants, retail stores, and other businesses. In the long run, affordable housing has even greater effects on a county’s economy. Residents living in housing they can afford will be more stable in their employment, counties will be better able to attract a more talented workforce, and businesses will be more likely to locate in areas with housing that is affordable for their employees.</p> <p>Recommendations: New ways to fund and affordable housing: County housing trust funds – document recording fee (most traditional); sales taxes; development impact fees; commercial linkage fees; demolition fees; tax increment financing (TIF); real estate transfer taxes; restaurant taxes; property taxes; social impact bonds. Use zoning, subdivision regulations, inclusionary zoning policies, and density bonuses to simplify the permitting process.</p>	http://www.naco.org/featured-resources/building-homes-county-funding-affordable-housing

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25	Housing Supply and Demand	There Will Be No Exit From California's Housing Hell 4 pages	2018	News Article	Joe Cortright	CityLab	<p>Points out that SB 827 did not receive support from the low-income renters it aimed to help because of their lack of ability to say Not In My Back Yard (NIMBY). SB 827, known as the Transit Zoning Bill, would usurp certain local building restrictions for new construction near transit hubs (within 0.5 mile), setting looser state standards for height, density, and parking. Low-income renters did not support this bill because they thought it would be used exclusively in lower-income communities, as has happened in the past. According to the author, low-income renters argued that unless low-income communities have the same power to exclude new development that wealthier communities routinely exercise, this is inequitable.</p> <p>Recommendations: A simple, clear and unavoidable state preemption that applies with equal force to all communities, high and low income based.</p>	https://www.citylab.com/equity/2018/05/there-will-be-no-exit-from-californias-housing-hell/559706/
26	Housing Supply and Demand	Addressing the Housing Affordability Crisis 56 pages	2018	Report	Richard C. Gentry	San Diego Housing Commission	<p>The City of San Diego faces a housing need that could be up to twice as high as previously estimated. Housing affordability is an issue for at least half of San Diegans: Housing affordability is not only an issue for lower-income groups, but also for moderate-income families that earn up to 150% of the AMI.</p> <p>According to the article, the factors contributing to the crisis are as follows:</p> <p>Extremely low-income groups rely on the natural affordability of Single-Room Occupancy (SRO) units, which is enabled by their small size and age. Given the prominence of SROs as an option for lower-income San Diegans, the shortage of these units has been cited as one of the key factors behind the recent increase in homelessness in San Diego.</p> <p>According to the article, there are various challenges that can hinder affordable housing such as:</p> <ul style="list-style-type: none">• Parking requirements can make development unfeasible.• A complex planning environment increases developer uncertainty and creates disincentives for smaller units.• Inclusionary housing programs have not been fully utilized.• Streamlining the planning and community input process can reduce the time for approval of developments. <p>Recommendations: The article suggest establishing short-term solutions to accelerate housing production in San Diego, rezoning, redeveloping underutilized parcels of land (less than 50% utilized per current zoning density), adapting disused industrial zones and City sites, infilling vacant lots, utilize detached ADU.</p>	http://www.sdhc.org/uploadedFiles/Media_Center/Significant_Documents_Reports/SDHC-Housing-Production-Objectives-Report.pdf
27	Housing Supply and Demand	Regulatory Environment One of Many Impediments to More Homeownership 2 pages	2017	News Article	Michael Hoban	Urban Land	<p>The article explains that many people do not understand the homebuying process and may be getting information from lenders and real estate brokers. Recommendations: The article recommends that people in the market to purchase a new home work with nonprofit organizations, CDFIs, and credit unions. These groups need to fill the spaced vacated by the mortgage brokers to help people with purchasing a home.</p>	https://urbanland.uli.org/economy-markets-trends/regulatory-environment-one-many-impediments-homeownership/

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28	Housing Supply and Demand	San Diego County Median Home Price Jumps to \$489,000 6 pages	2017	News Article	Phillip Molnar	Moinar	The median home price was \$489,000 in April 2017, a 7.5% increase from the same time the previous year; this median price is at a level not seen since 2007. Furthermore, 28% of homes were considered affordable in the first quarter of 2016, but a household would need an annual income of approximately \$110,286 to afford the \$2,757 monthly mortgage, taxes, and insurance payment. There are no recommendations suggested in this report.	http://www.sandiegouniontribune.com/business/real-estate/sdut-corelogic-april-rise-homes-2016may17-story.html
29	Housing Supply and Demand	Making It Easier to Build Won't Generate Affordable Units 4 pages	2017	News Article	Murtaza Baxamusa	Shelterforce	The article cites the following reasons as contributing to affordable housing not being produced: (1) Developers prefer to pay an "in-lieu fee" rather than build inclusionary units on site. (2) Affordable housing projects go through a lot of discretionary review. (3) Adding density does not create more affordable housing. Recommendations: The high demand for housing is an opportunity to redevelop and reinvest in downtown; streamlining the development process could be an opportunity if deployed carefully.	https://shelterforce.org/2017/03/01/making-it-easier-to-build-wont-generate-affordable-units/
30	Housing Supply and Demand	Many U.S. Suburbs Dodging Issue of More Affordable Housing 1 page	2017	News Article	Michael Hoban	Urban Land	This article states that many urban cities are struggling to accommodate population increases and many people are living beyond their means. Concentrated poverty decreases the chances of going to college, increases the chances of becoming a single parent, and decreases the expected earning as an adult by more than 30%. Recommendations: The Affirmatively Furthering Fair Housing (AFFH) rule helps equip communities that receive HUD funding with the data and tools that will help them to meet long-standing fair housing obligations in their use of HUD funds.	https://urbanland.uli.org/development-business/many-u-s-suburbs-dodging-issue-affordable-housing-construction/
31	Housing Supply and Demand	California's Housing Future: Challenges and Opportunities 186 pages	2017	Report	Alexis Podesta, Ben Metcalf, Edmund G. Brown Jr.	California Department of Housing and Community Development	The report discusses how housing supply continues to not keep pace with demand and obtaining funding has been inconsistent for affordable housing. Recommendations: To be consistent with local governments' general plans and zoning, reduce timelines and costs by increasing opportunities for streamlining permitting where applicable. The article further explains other local, regional, and state opportunities that would improve the housing situation.	http://hcd.ca.gov/policy-research/plans-reports/docs/California's-Housing-Future-Full-Public-Draft.pdf
32	Housing Supply and Demand	The Housing Affordability Gap for Extremely Low-Income Renters in 2014 48 pages	2017	Report	Liza Getsinger, Lily Posey, Graham MacDonald, Josh Leopold	Urban Institute	The four key findings from the report are: (1) There is not enough affordable housing to meet the needs of extremely low-income (ELI) households. (2) Federal rental assistance plays a role in supporting ELI renter households. (3) The shortage of adequate, affordable, and available units for ELI renters is worst in large, urban counties. Recommendations: (4) Federal rental assistance programs are a critical source of affordable housing in nonmetropolitan counties. According to the article, no affordable housing units would be available to extremely low income (ELI) households absent continued investment in federally assisted rental housing.	https://www.urban.org/sites/default/files/publication/89921/gap_map_report.pdf

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33	Housing Supply and Demand	Housing Development Toolkit 68 pages	2016	Study	Not Specified	The White House Washington	There is a sharp increase in the gap between home prices and construction costs, with stringent housing regulations now driving costs that were previously shaped by construction costs and quality improvements. Furthermore, housing production has failed to expand in many regions with strong demand, artificially depressing the availability of construction and related jobs. Recommendations: The study suggests that a by-right development should be established. This would allow projects to be approved administratively when proposals meet zoning requirements. Many jurisdictions have expedited programs that should be adopted to speed up permit processes for eligible affordable/infill housing and sustainable building projects. The study cites other jurisdiction models that the authors think should be adopted and implemented as well.	https://www.whitehouse.gov/sites/whitehouse.gov/files/images/Housing_Development_Toolkit%20Of.2.pdf
34	Housing Supply and Demand	A Tool Kit to Close California's Housing Gap: 3.5 Million Homes By 2025 68 pages	2016	Study	Andres Cadena	McKinsey & Company	Since 2005, California has added 308 units for every 1,000 new inhabitants. Thus, California has produced less housing per capita than other states (80 percent less than New York in 2005–2014). This has caused an increase in real estate prices, resulting in a \$50 billion to \$60 billion annual housing affordability gap. Recommendations: This study identifies 15 tools to help close the housing affordability gap: (1) Build on vacant urban land that cities have already zoned for multifamily; (2) Intensify housing around transit hubs; (3) Add units to existing single-family homes; (4) Add units to underutilized urban land zoned for multifamily development; (5) Develop affordable and adjacent single-family housing; (6) Incentivize local governments to approve already planned-for housing; (7) Accelerate land use approval; (8) Raise construction productivity; (9) Deploy modular construction; (10) Accelerate construction permitting; (11) Reduce housing operating costs; (12) Align development impact fees with housing objectives; (13) Prioritize state and local funding for affordable housing; (14) Attract new investors in affordable housing; and (15) Design regulations to boost affordable housing while maintaining investment attractiveness.	https://www.mckinsey.com/~media/mckinsey/featured%20insights/Urbanization/Closing%20Californias%20housing%20gap/Closing-Californias-housing-gap-Full-report.ashx

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35	Housing Supply and Demand	Regional Housing & Economic Impact Analysis 99 pages	2016	Report	Gary London, Nathan Moeder, Robert Martinez, Eric Feldman, Michael McFadden	London Group Realty Advisors	<p>This study focuses on the inexorable relationship between the housing market and the San Diego regional economy. The study authors discovered that there is a housing shortage now and that, absent substantial action being taken, this shortage will continue to fester well into the foreseeable future. The result will be a continuation of higher housing costs, both for-sale and rental, fostered by an inability to bring to market new housing units of any type. Without action, demand will perpetually outpace supply. Recommendations: (1) Revisit every general plan in the region, including San Diego County, and build in mechanisms to synchronize those plans with on-the-ground entitlement reality. Plans are plans, but projects need to be entitled and built, with certainty and reasonable time frames embedded in the system. (2) Disseminate information to the voting public about the nature of the crisis, the facts behind it, and the responsibility of the electorate to activate to create change. (3) Press elected and appointed officials and their supporting staffs to recognize the huge importance of the housing issue; in particular, its connection to the economy and jobs, and the need to add housing for the region to remain economically viable. (4) New ground rules need to be established in the entitlement and public vetting process. For example, when housing projects are proposed, they should be subject to a rigorous examination of their merits, and not to delays. This problem can be further minimized by creating more master EIRs, particularly in the already urbanized communities. (5) Legislative and legal reform must be encouraged at the state level and in the courts. In particular, the California Environmental Quality Act (CEQA) is outdated, overly broad, and subject to interpretations, which has the practical effect of shutting down housing projects. New legal and legislative determinations relating to climate and greenhouse gas emissions are recent examples of broad issues that are inappropriately being used to shut down new housing projects.</p>	https://sdchamber.org/wp-content/uploads/2016/07/LG-Report-Regional-Housing-Study-7-15-16.pdf
36	Housing Supply and Demand	Addressing the Housing Affordability Crisis in San Diego and Beyond 96 pages	2015	Report	Jennifer LeSar	San Diego Housing Commission	<p>The San Diego Housing Commission Board and the San Diego City Council are concerned about the rising costs and inadequate supply of housing in the city. In San Diego and other major cities, the demand for housing is growing much faster than the construction of new units. As the supply of housing fails to keep up with demand, prices are continually bid higher for both rentals and homeownership, making housing increasingly unaffordable for San Diego residents across the income spectrum. Recommendations: The article has 11 recommended action opportunities to help cut costs for new developments. They are listed as : (1) Set annual housing production goals. (2) Incentivize more 80/20 developments. (3) Defer development fees. (4) Reduce parking requirements. (5) Reduce commercial space requirements. (6) Unlock land and increase ground leases. (7) Shorten the entitlement process. (8) Approve community plans with master EIRS. (9) Support CEQA reforms. (10) Align state oversight. (11) Increase state and federal resources. The study includes a detailed outline of each action.</p>	http://www.sdhc.org/uploadedFiles/Media_Center/Significant_Documents/Reports/SDHC%20Housing%20Affordability%20Study%20Report.pdf

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37	Housing Supply and Demand	Worst-Case Housing Needs: 2015 Report to Congress 83 pages	2015	Report	Barry L. Steffen, George R. Carter, Marge Martin, Danilo Pelletiere, David A. Vandenbroucke, Yunn-Gann David Yao	Office of Policy and Research	Worst-case housing needs are a national problem. These needs are defined as renters with very low incomes, below 50% of the Area Median Income (AMI), who do not receive government housing assistance and who pay more than half of their income for rent. Worst-case needs have expanded dramatically during the past decade and were exacerbated by the economic recession and associated collapse of the housing market, which reduced homeownership through foreclosures and increased demand for rental units. During the most recent two-year period, 2011 to 2013, worst-case needs decreased modestly. The improvement is attributable primarily to demographic and economic factors—especially increasing renter incomes—that reduced the number of susceptible households. There are no recommendations suggested in this article.	https://www.huduser.gov/portal//Publications/pdf/WorstCaseNeeds_2015.pdf
38	Housing Supply and Demand	Quality of Life Dashboard 23 pages	2015	Report	Not Specified	Equinox Center	According to federal standards, households paying more than 30% of annual income on housing are at a higher financial risk. Housing costs influence a region's competitiveness against other metropolitan areas in attracting and retaining businesses and a talented workforce. Nearly 42% of homeowners and 57% of renters spend more than one-third of their income on housing. There are no recommendations suggested in this report.	https://energycenter.org/equinox/dashboard
39	Housing Supply and Demand	California's High Housing Costs: Causes and Consequences 44 pages	2015	Study	Chas Alamo, Brian Uhler, Marianne O'Malley	Legislative Analyst's Office	<p>Today, an average California home costs \$440,000, about two-and-a-half times the average national home price (\$180,000). Also, the average monthly rent in the state is about \$1,240, 50% higher than the rest of the country (\$840 per month). Not enough housing exists in the state's major coastal communities to accommodate all of the households that want to live there. Amid high housing costs, many households make serious trade-offs to afford living here. Households with low incomes, in particular, spend much more of their income on housing. In recent decades, the state has approached the problem of housing affordability for low-income Californians and those with unmet housing needs primarily by subsidizing the construction of affordable housing through bond funds, tax credits, and other resources. Because these programs have historically accounted for only a small share of all new housing built each year, they alone could not meet the housing needs identified in the report.</p> <p>Recommendations: (1) Aim to build more housing in coastal cities, densely. (2) Put all policy options on the table. In other words, major changes to local government land use authority, local finance, CEQA, and other major policies would be necessary to address California's high housing costs. (3) Recognize the targeted role of affordable housing programs and consider how targeted programs could supplement more private housing construction by assisting those with limited access to market-rate housing, such as people experiencing homelessness, those with mental and/or physical health challenges, and those with very low incomes. (4) Understand that some factors are beyond policymakers' control. Some factors, however, such as high demand to live in the state and natural limitations on developable land, largely are beyond the control of policymakers. As a result, home prices and rents in California likely will remain above average for the foreseeable future, even if public policies highly favorable to new housing construction were instituted that slowed future growth in housing costs.</p>	https://lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf

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40	Housing Supply and Demand	California's Affordable Housing Problem 3 pages	2013	News Article	Christopher Thornber	BeaconEcon	Background Information: Article from 2013 commenting on AB 1229 (inclusionary housing) that was vetoed by Governor Brown, which would include inclusionary housing as part of California's housing landscape. Inclusionary housing is when developers are mandated to include a certain number of "affordable" units in any new housing development. The article argues that inclusionary housing does not work as public policy. Points out that inclusionary housing in the local level has been an ineffective response to high housing prices. Furthermore, the author affirms that the mandates produce little in the way of actual affordable housing even as they impose costs on middle-income homebuyers who end up bearing the additional burden, either through limitation of supply or because the costs of the affordable units are passed on to their units. Recommendations: That the state of California's housing crisis is as result of CEQA and zoning ordinances and that in order to reduce prices, the state should reform the CEQA process and streamline.	https://beaconecon.com/blog/californias_affordable_housing_problem_if_you_dont_like_what_you_re_reaping
41	Housing Supply and Demand	Housing Affordability Data System 20 pages	2011	Report	David A. Vandenbroucke	US Department of Housing and Urban Development	The Housing Affordability Data System (HADS) is a set of housing-unit-level datasets that measure the affordability of housing units and the housing cost burdens of households, relative to area median incomes, poverty level incomes, and Fair Market Rents. The report goes into detail about the different formulas that are utilized. There are no recommendations suggested in this report.	https://www.huduser.gov/portal/datasets/hads/hads.html
42	Housing Supply and Demand	Regional Housing Needs Assessment Plan 63 pages	2010	Report	Gary Gallegos, Renee Wasmund, Kurt Kroninger, Charles "Muggs" Stoll, Coleen Clementson	San Diego Association of Governments	The Regional Housing Needs Assessment Plan has four main objectives: (1) Increasing the housing supply and the mix of housing types, ensuring affordability in all cities and counties in the region in an equitable manner, which would result in all jurisdictions receiving an allocation of units for low- and very low-income households. (2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns. (3) Promoting an improved intraregional relationship between jobs and housing. (4) Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category. The RHNA determination was that 161,980 housing units would be needed during the fifth housing element cycle. There are no recommendations suggested in this article.	https://www.sandag.org/uploads/publicationid/publicationid_1661_14392.pdf
43	Housing Supply and Demand	Equitable Development Toolkit, Affordable Housing Development 101 29 pages	2008	Study	Not Specified	Policy Link	This article compares different housing tools side by side that can help equitable development advocates make beneficial strategy choices to ensure affordable housing. Recommendations: (1) Regulate the private housing market. (2) Create nonprofit-owned affordable housing. (3) Increase affordable homeownership opportunities. (4) Encourage resident-controlled limited-equity ownership. (5) Leverage market-rate development. (6) Preserve publicly assisted affordable housing. The study goes into detail about each of the methods.	https://www.policylink.org/sites/default/files/affordable-housing.pdf

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Income, Population Growth and Housing								
44	Income, Population Growth and Housing	Exodus Crisis 3 pages	2018	Article	like Stetz	National Housing Institute	According to the article, the US Census update for July 2015 shows more people leaving San Diego than moving to the county. Housing is the number one reason people are leaving the region. Creating more low-income development is an option, but developers say moderately priced housing is too risky to build and complain that the regulatory process takes too much time and money. Recommendations: Housing production needs to be increased, and San Diego jurisdictions have to identify potential streamlining initiatives.	http://ourcitysd.com/politics-civic-issues/san-die/
45	Income, Population Growth and Housing	Missing Millions of Homes 26 pages	2017	Report	Denny Heck, Stephanie Murphy, Juan Vargas, Scott Peters	New Democrat Coalition	Housing is increasingly unaffordable because prices and rents are rising faster than wages because construction is not keeping up with demand. The article sites various theories about why the housing crisis has been caused (Environmental and other regulations are raising the cost of construction, Technology and demand changes have enhanced the ability of local opponents to use tools to slow or stop housing development, Builders can't get enough construction financing to build all the homes they want, Poor investment in housing subsidies is crippling affordable housing development, Zoning and land-use regulations are stifling construction). Recommendation: Revise local policies and build millions more housing units.	https://www.ncsha.org/wp-content/uploads/2018/06/NDC.pdf
46	Income, Population Growth and Housing	Mission Impossible: Meeting California's Housing Challenge 48 pages	2016	Report	Not Specified	Southern California Association of Governments	This report analyzes the housing shortage and lack of affordability in California. According to the report, both home prices and rental costs are increasing throughout the state. Several factors contribute to the high cost of housing. The costs of the entitlement and permit approval process can represent up to 19% and governmental regulatory costs up to 7%. Extensive locally required changes as a result of the public hearing or design review process can increase costs and uncertainty for residential projects, and may culminate in reducing, delaying, or halting the project entirely. Because more income is spent on housing, less money is spent on discretionary purchases that stimulate a consumer-based economy. Recommendations: Local tools to develop more housing addressing various levels of affordability. These include rent stabilization, anti-displacement policies, inclusionary zoning policies, and density bonuses. Other strategies, such as streamlining or expediting the entitlement process, can lower the cost of housing and encourage residential development, including affordable housing, in communities.	https://www.scag.ca.gov/Documents/CaliforniaHousingSummitReportOverview.pdf
47	Income, Population Growth and Housing	The San Diego County Rental Market Boom 40 pages	2017	Report	Peter Dennehy	Meyers Research	This report is primarily a snapshot of statistics for the County of San Diego pertaining to capital market trends, particularly in housing. Some of the data included was the San Diego unemployment rate, San Diego capital market trends, and historical rent index. There are no recommendations suggested in this report.	http://www.meyersresearchllc.com/uli-san-diego-county-rental-market-boom-breakfast/

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Live-Work Spaces								
48	Live-Work Spaces	Housing Crisis Prompts San Diego to Further Loosen Rules for Live-Work Spaces 2 pages	2018	News Articles	David Garrick	San Diego Union Tribune	This article asserts the zoning code changes approved by the San Diego City Council to facilitate the use of “live-work” spaces. According to the article, San Diego is expanding its plans to use live-work spaces to ease the city’s housing crisis and get commuters off the road. Recommendations: The goal is encouraging more people like dentists, accountants, and comic store owners to start living in the same place where they work. Other efforts to increase housing stock include density bonuses, softer parking requirements for projects in transit areas, looser rules for ADUs, and streamlined environmental reviews. The city’s plan calls for more commuting by bicycle and transit. Live-work spaces eliminate the need to commute entirely. The proposal to further loosen live-work space restrictions is expected to be presented to the full Council for approval in July. The author suggests that adding more live-work spaces helps the city reach the goals of its climate action plan, which requires a sharp drop in the number of people commuting by car in the coming years.	http://www.sandiegouniontribune.com/news/politics/sd-me-live-work-20180627-story.html
Local Building Regulations								
49	Local Building Regulations	Opening San Diego's Door to Lower Housing Costs 72 pages	2014	Report	Cathy L. Gallagher	Fermanian Business & Economic Institute at Point Loma Nazarene University	This report analyzes the regulatory costs and housing costs in San Diego County. According to the report, the total cost of regulations amounts to about 40% of the cost of housing across the various price segments in the county. Regulatory costs vary considerably by jurisdiction. However, for the weighted average of sales and rentals, the costs range from approximately \$125,000 (22%) in Santee to about \$282,000 (44%) in Carlsbad. This study defined regulatory costs to include the statutory fees of building permits, sewer, water, schools, drainage, traffic, entitlement, mapping, and development, which encompassed more than majority of studies. Recommendations: The report suggests a 3% reduction in regulatory costs and regulatory reforms. Reduced costs could open up housing alternatives to approximately 6,750 additional households in one year. Regulatory reforms could include establishing benchmarks for project and permit approval times, replacing full cost recovery by a flat fee for mapping costs, standardizing building codes for all jurisdictions in the county, disallowing additional challenges and review once a project is approved, and establishing a sliding scale for affordable homebuilding requirements to recognize the importance of economies of scale.	https://www.housingyoumatters.org/images/HousingYouMatters.pdf
50	Local Building Regulations	When Local Control Backfires 1 page	2017	News Article	Scott Beyer	Urban Notebook	The author of this article believes that local governance can be problematic, particularly when dealing with housing. California is struggling to accommodate population increases because zoning and other land use regulations can stop housing construction, causing shortages, price inflation, and overcrowding. Recommendations: Shift land use decisions from the neighborhood to the administrative level, while having those administrations grow more permissive toward development, allowing it to grow to adapt to population and market changes. The article makes this suggestions because zoning and land use regulations and local resistance can stop housing construction.	http://www.governing.com/columns/urban-notebook/gov-housing-shortage-san-diego.html

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Local Solar Energy								
51	Local Solar Energy	Here Comes the Sun: Community Solar 4 pages	2017	News Article	Charles W. Thurston	American Planning Association	A significant reason that jurisdictions are pursuing community solar projects is to improve access for low-income housing constituents. Their motivation is to reduce infrastructure costs, including customers' electricity costs, which are frequently subsidized. Recommendations: Participants can directly fund a community solar project by either purchasing solar panels, panel leases, and/or power purchase agreements, all through crowdfunding. State funding is also an option, as some communities won grants that helped them purchase the panels.	https://www.planning.org/planning/2017/mar/he-recomesthesun/
52	Local Solar Energy	Closing the California Clean Energy Divide 48 pages	2016	Report	Seth Mullendore, Wayne Waite, Sachu Constantine, Andrew Battaglia	Clean Energy Group	While California has installed numerous integrated solar photovoltaic (PV) and battery storage projects, few have served the affordable multifamily rental housing sector, which provides housing to more than 450,000 low-income households. This disparity is due to many factors, including a lack of information about the economics of solar storage systems in multifamily rental housing. This is not surprising as battery storage is still a relatively new technology. Recommendations: Battery storage is emerging as an effective new strategy for reducing electricity costs for affordable multifamily rental housing in California. Energy costs represent 20% or more of a property's operating costs and over 14% of a low-income household's income. Public policy must ensure that emerging clean energy technologies are available and accessible to underserved populations. Adding battery storage to an affordable rental housing solar installation in California can eliminate demand charges for building electricity loads, resulting in a net electricity bill of essentially zero. It can also achieve incremental utility bill savings similar to solar for about a third of the cost of a solar system for owners of affordable rental housing properties in the state.	https://www.cleaneigroup.org/wp-content/uploads/Closing-the-California-Clean-Energy-Divide.pdf
Low Income Housing								
53	Low Income Housing	Out of Reach 262 pages	2016	Report	Malik Siraj Akbar	JP Morgan Chase	This report lists each state's required wage to be able to afford a one- to two-bedroom apartment. In California, the Fair Market Rent (FMR) for a two-bedroom apartment is \$1,487. In order to afford this level of rent and utilities, without paying more than 30% of income on housing, a household must earn \$4,955 per month or \$59,464 annually. Assuming a 40-hour workweek, 52 weeks per year, this level of income translates into a housing wage of \$28.59 per hour. There are no recommendations suggested in this report.	http://nlihc.org/sites/default/files/oor/OOR_2016.pdf
Mello-Roos								
54	Mello-Roos	Court Upholds Infill Mello-Roos District 3 pages	2016	News Article	Colantuono, Highsmith, Whatley, PC	Michael G. Colantuaono	The City of San Ramon responded to the Proposition 13 property tax cap by requiring new residential developments to provide supplemental revenues via a Mello-Roos Community Facilities District. The decision was sued because the Building Industry Association argued that the tax does not provide "additional services," as the Mello-Roos Act requires. The court concluded that San Ramon's tax did not cease to be a special tax because it funded many city services. There are no recommendations suggested in this article.	https://chwlaw.us/wp-content/uploads/2016-Fall-Newsletter-1.pdf

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Military Housing								
55	Military Housing	San Diego Military Economic Impact Study 46 pages	2016	Study	Bob Brower	San Diego Military Advisory	According to the article, defense- and military-related activities will remain San Diego's largest economic catalyst in 2016, but the dollars and amount of economic impact appear to be leveling out. The study includes various goals to help safeguard the military's continued presence in the region and maximize the synergies between San Diego and the military. As of 2016 estimates, the direct amount of spending is \$23.3 billion on the San Diego military bases, providing 301,000 jobs for the people in the region, and the gross regional product (GRP) is \$44.7 billion. Recommendations: (1) Local, state, and federal government leaders need to ensure that policies advance rather than impede operations of the Navy and Marine Corps. (2) The region’s political, civic, and business leaders need to fully understand San Diego’s comparative strengths and the importance of the region in implementing the nation’s defense strategy. (3) The community needs to integrate even more fully members of the military and their families into various cultural, sports, educational, and civic activities. Several other goals and recommendations are listed within the study.	https://www.sdmac.org/static/media/uploads/pdf%20files/fbei_2016_sdmac-full_report_r4-final.pdf
Natural Amenities and Housing Costs								
56	Natural Amenities and Housing Costs	UCLA Economic Letter 4 pages	2016	Report	Jerry Nickelsburg	University of California, Los Angeles Economic Letter	<p>The study shows that natural amenities predict much of affordability of housing. The more amenity-rich a city is, the less affordable it is. The attractiveness of locations is divided into natural and cultural amenities. Natural amenities are related to geography (mountains, water bodies, and climate) and cultural amenities are those that come from the city (restaurants, theater, civic engagement opportunities parks, music scene). Natural amenities are valuable—people value beautiful areas and areas with mild weather and outdoor activities.</p> <p>The author argues that since zoning will continue in place and affordable housing will probably remain scarce, affordable housing policy should be targeted toward favored groups and not allocated randomly. Argues that affordable housing policy should target those society wants to reward the most (for example, teachers). There are no recommendations suggested in this report.</p>	http://www.anderson.ucla.edu/Documents/areas/ctr/ziman/UCLA_Economic_Letter_Nickelsberg_02.29.16.pdf
Older Affordability Housing Disappearing								
57	Older Affordable Housing Disappearing	Nonprofit Developers Strive to Preserve Affordable Housing 6 pages	2017	News Article	Alison St John, Katie Schoolov	KPBS	While cities struggle to get approval for higher-density and new affordable housing, older affordable housing is disappearing. San Diego County has lost 3,500 affordable units in the last 20 years, and in the next five years, more than 2,000 low-income homes risk reverting to market rate. One of the reasons for the disappearance of affordable units is that California law has no requirement to report, track, or protect how many low-income homes are being lost each year. Almost all low-income affordable housing is built using Low Income Housing Tax Credits. There are no recommendations suggested in this article.	http://www.kpbs.org/news/2017/mar/24/non-profit-developers-compete-profit-developers-pr/

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58	Older Affordable Housing Disappearing	There Goes the Affordable Neighborhood 5 pages	2018	News Article	Dave Rice	San Diego Reader	Article describes the opposition to the City of San Diego Planning Commission's recent decision to allow Peñasquitos Village, with 332 former low-income housing units, to be replaced by Lennar Homes with a development that will have 600 townhouses, condos, and apartments, most of which will rent at market rates. 10 of the new apartments to be built on the site are to be reserved as affordable housing. This represents the 10% minimum requirement for affordable units. Peñasquitos Village's requirement to maintain affordable apartments expired in 2010, 40 years after it was built. The approval includes variances to allow six fewer parking spaces than required and an exception to the 30-foot building height limit. After the opposition from the community, Lennar Homes agreed to allow remaining tenants to stay for another 120 days so that children can complete the school year. They also provided cash payments for remaining tenants to assist with moving expenses and lease deposits. They pledged to ensure that all of its Section 8 recipients found new homes before their scheduled move-out dates. After this agreement, groups officially switched from opposition to neutrality on the new development. The article suggests that other residents, who remained opposed, think that the deal only received support because it represented the “best” deal they would receive. There are no recommendations suggested in this report.	https://www.sandiegoreader.com/news/2018/march/06/stringers-there-goes-affordable-neighborhood/?templates=desktop#
Productivity and Construction								
59	Productivity and Construction	White Paper on the Theory, Economics, and Practice of Public Benefit Zoning 54 pages	2014	Report	Nico Calavita, Marian Wolfe	East Bay Housing Organizations, Association of Bay Area Governments, Metropolitan Transportation Commission	According to the report, the San Francisco Bay Area will add more than two million people by 2040. A regional land use and transportation plan called Plan Bay Area has been adopted by the authors of this report. It calls for most new residential development to take place in already built-up areas close to public transit. These areas are called Priority Development Areas (PDAs). Part of this strategy is to produce communities near major transit stations or hubs with a mix of commercial, civic, and residential uses. Doing this can increase land values substantially and have unintended consequences to low-income individuals living in the PDAs. Recommendations: Requiring community benefits from landowners whose land has increased in value due to government actions is called Land Value Recapture (LVR), which is also known as a Public Benefit Zoning (PBZ). This can be applied to affordable housing by enhancing a community's existing inclusionary housing program by requiring a higher percentage of inclusionary units.	http://www.thecyberhood.net/documents/projects/whitepaper14.pdf

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	Topic	Title	Publish Date	Type of Source	Author Name	Source	Summary	Link to Article
60	Productivity and Construction	Reinventing Construction: A Route to Higher Productivity 168 pages	2017	Report	Jacques Bughin, James Manyika, Joonathan Woetzel, Frank Mattern	McKinsey & Company	There are four major impacts on the construction industry: (1) Rising requirements and demand in terms of volume time, cost, quality, and sustainability. (2) Larger-scale players, more transparent markets, and distributive new entrants. (3) More readily available new technologies, materials, and processes. (4) Rising wage rates and limits on migrant labor. Recommendations: To support productivity growth, regulators can mandate the use of BIM to build transparency and collaboration across the industry; reshape regulations to support productivity; create transparency on cost across the construction industry; publish performance data on contractors; and consider labor interventions to ensure the development of skills instead of relying heavily on a low-cost transient migrant workforce.	https://www.mckinsey.com/~media/McKinsey/Industries/Capital%20Projects%20and%20Infrastructure/Our%20Insights/Reinventing%20construction%20through%20a%20productivity%20revolution/MGI-Reinventing-Construction-Executive-summary.ashx
Resistance Within the Community								
61	Resistance Within the Community	Hillcrest High Rise Touted as Model, but Critics Worry about Community Character 3 pages	2018	News Article	David Garrick	San Diego Union Tribune	A seven-story apartment building was recently approved to be developed in central Hillcrest. Supporters are calling it a model for solving San Diego's housing crisis because the project proposes high-density development that includes 111 units built on less than 1 acre, is located near major roads, and is within walking distance of high-paying jobs and amenities such as restaurants, grocery stores, and other businesses. Additionally, the project received a density bonus, which means 9 units are reserved for people with low incomes (less than \$39,000 for a two-person household). Project opponents say that it is too dense, will damage community character, and will worsen traffic congestion. Opposition is also based on the City not requiring a comprehensive analysis of the project's potential effects on traffic and other environmental issues. There are no recommendations suggested in this report.	http://www.sandiegouniontribune.com/news/politics/sd-me-hillcrest-highrise-20180612-story.html
Renter Protections								
62	Renter Protections	California Rent Control Measure Makes November Ballot 3 pages	2018	News Article	Elijah Chiland	Curbed Los Angeles	The article is about the results that rent control could bring to California if approved by voters on November's ballot. Supporters of this voter initiative calling for repeal of the Costa Hawkins Rental Housing Act gathered enough signatures to qualify the measure for the November ballot. Costa Hawkins Rental Housing Act provisions: o Protects a landlord's right to raise the rent to market rate on a unit once a tenant moves out. o Prevents cities from establishing rent control—or capping rent—on units constructed after February 1995. According to the article, less than 20 cities in California have rent control regulations, and most local governments would need to pass new ordinances to take advantage of a Costa Hawkins repeal. If it is passed, the measure would give city leaders new options when establishing or updating rent control policies, including giving local governments the power to place newer buildings under rent control regulations. Local leaders would be able to establish policies that ensure units remain under rent control even after a tenant moves out. Under the current law, when a tenant moves out of a rent-controlled apartment, property owners can re-list the unit at the market rate. Local lawmakers would also be able to put rent control regulations on single-family homes and condominiums, greatly increasing the number of housing units subject to limits on yearly price increases. There are no recommendations suggested in this report.	https://la.curbed.com/2018/6/18/17475176/california-rent-control-ballot-measure-costa-hawkins#nws=mcnewsletter

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Streamline Local Housing Approvals								
63	Streamline Local Housing Approvals	The 2016–2017 Budget: Considering Changes to Streamline Local Housing Approvals 7 pages	2017	Scholarly Article	Mac Taylor	Urban Land	The article suggests that local resistance is a major barrier to more housing development and that some communities do not comply with their own housing element requirements. Recommendations: Communities should seek to streamline multifamily housing approvals, not require CEQA review for eligible projects, and define objective general plan and zoning standards for their communities.	http://www.lao.ca.gov/reports/2016/3470/Streamline-Local-Housing-Approvals.pdf
64	Streamline Local Housing Approvals	Considering Changes to Streamline Local Housing Approvals 14 pages	2017	Study	Mac Taylor	Legislative Analyst Office	This is an initial response to the Governor’s proposal—which was a part of the administration’s May Revision released on May 13, 2016—to change state law to streamline certain local housing proposals. The article identifies local resistance being a barrier to housing development and the consequences lead to housing shortages -- which are considered extensive. California’s rapidly rising housing costs pose a difficult dilemma for state policy makers. If the status quo is maintained, there is little reason to believe local communities will depart from their past practices. Recommendations: Implementing "By-Right Approval of Certain Housing Projects". These projects would conform with existing General Plan and Zoning Rules, be multi-family housing, be infill housing, not require CEQA review, and have an expedited design review.	https://lao.ca.gov/reports/2016/3470/Streamline-Local-Housing-Approvals.pdf
65	Streamline Local Housing Approvals	The Effect of Local Government Policies on Housing Supply 42 pages	2016	Report	Graham MacDonald	Terner Center for Housing Innovation at UC Berkeley	This report analyzes the effect local regulations and policies have on the housing supply in California, particularly in the Bay Area, and provides recommendations for the entire state. From 2010 to 2015, there were six times as many new jobs and people as new housing units in the Bay Area, and home prices rose by 54% over this period. In 2015, six jobs and for new people were gained for every new housing unit, while home prices continued to increase. Recommendations: To increase housing production, the article suggests these things: (1) Reduce ground-floor retail requirements by up to 40%. (2) Reduce parking requirements by 20%. (3) Eliminate costly conditional use requirements, and remove environmental review requirements through a specific plan. (4) Decrease basic permitting time for ministerial measures. (5) Increase density.	http://turnercenter.berkeley.edu/uploads/The_Effect_of_Local_Government_Policies_on_Housing_Supply.pdf