Appendix 6-C:
Housing Resources
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SITES INVENTORY AND RESIDENTIAL CAPACITY

REGIONAL HOUSING NEEDS ASSESSMENT

State Housing Element law requires that a local jurisdiction accommodate a share of the region’s projected housing needs for the planning period. This share, called the Regional Housing Needs Assessment (RHNA), is important because state law mandates that jurisdictions provide sufficient land to accommodate a variety of housing opportunities for all economic segments of the community.

The San Diego Association of Governments (SANDAG), as the regional planning agency, is responsible for allocating the regional housing needs to individual jurisdictions. After determining the region’s housing needs number through consultation with the California Department of Housing and Community Development (State HCD), SANDAG utilized the forecasted pattern of development from its 2050 Regional Growth Forecast, which distributes housing and employment growth at a jurisdiction level. The model considers proximity to job centers, travel times, and commuting choices as well as land use plans. SANDAG also considered the rural nature and lack of infrastructure in the unincorporated County, important factors when allocating the regional share by income category. Consistency with the SANDAG Regional Comprehensive Plan (RCP) and Sustainable Communities Strategy (SCS) requires high-density multi-family housing to be located with reasonable access to mass transit as well as to other public services that are not available or planned for the unincorporated County.

The RHNA is distributed by income category. For the 6th Cycle RHNA, the County of San Diego is allocated a RHNA of 6,700 units as follows:

- Very low income and extremely low income (0 to 50 percent of area median income or AMI): 1,834 units
- Low income (51 to 80 percent of AMI): 992 units
- Moderate income (81 to 120 percent of AMI): 1,165 units
- Above moderate income (more than 120 percent of AMI): 2,709 units

State law requires estimating the projected housing needs for extremely low-income households. Two methods are allowed: 1) an even split between extremely low- and very low-income households; or 2) a proportional split based on income distribution. According to the data provided by SANDAG, extremely low-income households represent 44 percent of the very low-income households. Therefore, the very low-income RHNA is split into 807 extremely low-income and 1,027 very low-income households.
The County must ensure the availability of residential sites at adequate densities and appropriate development standards to accommodate these units.

ACCESSORY DWELLING UNITS

ADU PRODUCTION

The County may count the construction of ADUs toward the RHNA. For ADUs, RHNA credits must be based on recent development trends, not on potential capacity. Prior to recent changes in state law, the County allowed for secondary residential units on single-family lots throughout the unincorporated area. Between 2011 and 2017, the County issued approximately 50 secondary dwelling unit permits per year. Changes to state law in 2017 and 2019 along with County incentives have dramatically increased ADU production in the unincorporated area since 2018.

Table 6-C-1: Recent ADU Production in the Unincorporated Area

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>40-50/year</td>
<td>146</td>
<td>225</td>
<td>237</td>
<td></td>
<td>608</td>
</tr>
</tbody>
</table>

Source: County of San Diego, Planning and Development Services, 2021

Based on the upward trend of ADU production, it could be reasonably assumed that the County would see approximately 250 ADUs produced annually throughout the 6th Cycle. Despite the historical trends, a more conservative production rate of 225 ADUs per year is assumed for the 6th Cycle, leading to a total of 1,800 accessory units counted toward the RHNA over the planning period.

In 2019, the Board of Supervisors voted to waive development fees for ADUs in the unincorporated area. The fee waiver program reduces the cost and constraint of constructing ADUs in the unincorporated area and has likely contributed towards the significant increase in ADU production during 2019 and 2020.

Additionally, the County has published six preapproved floor plans for ADUs. Preapproved floor plans reduce the cost of constructing an ADU by expediting the permitting process and lessening the need to purchase or design floor plans. The County’s approved floor plans range from 600 square foot, one bed, one bath units to 1,200 square foot, three bedroom units. The large size and bedroom range allows for preapproved ADUs to support a variety of household sizes.

In 2019, the Board directed the development of an ADU subsidy program to encourage the construction of ADUs for vulnerable populations such as seniors, veterans, and low-income
individuals and households. While the program has not yet been adopted, the possibility affirms the County’s commitment to ADUs as a housing resource, particularly for lower-income households.

Taken together, these programs make it likely that ADU construction will continue to increase and that historical trends for ADU construction likely underestimate the number of ADUs that will be constructed during the 6th Cycle planning period.

**ADU AFFORDABILITY LEVEL**

A recent study conducted by the Southern California Association of Governments (SCAG) indicated that many ADUs are rented out to family members at no or marginal cost, allowing these units to be counted as available for very low- and extremely low-income families. SCAG’s study, which aggregated ADU surveys conducted since 2014, concluded that 15 percent of ADUs can be conservatively assumed to be available for very low-income individuals. Based on this evidence, the County also assumes that 15 percent of ADUs can accommodate very low-income households.

Rent surveys of ADUs can be used to estimate income/affordability of potential ADUs. In fall 2020, County staff reviewed listings on real estate websites such as Craigslist, Apartments.com, and Realtor.com to identify ADUs for rent in the unincorporated County. Staff identified seven ADUs for rent in the unincorporated areas, with an average monthly rent of $1,496. Based on the area median income of $92,700 and the assumption that households are cost burdened if more than one-third of gross income is spent on housing, rents in this price range are anticipated to be affordable to low-income (80% AMI) households. Using the observed average rent for ADUs, it could be presumed that all ADUs will be affordable to lower-income individuals. However, given the small sample size of ADUs for rent in the unincorporated area, the County will only assume that 12 percent are available for low-income households.

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42 SCAG. Regional ADU Affordability Analysis. 2020.
43 A 1-Person Household at 80% of the AMI has an assumed income of $64,700. $64,700/12 months * 1/3 of gross income corresponds to a maximum housing expenditure of $1,797 per month.
Table 6-C-2: ADUs for Rent in the Unincorporated County

<table>
<thead>
<tr>
<th>Location</th>
<th>Square Feet</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alpine</td>
<td>600</td>
<td>$1,425</td>
</tr>
<tr>
<td>Alpine</td>
<td>700</td>
<td>$1,650</td>
</tr>
<tr>
<td>Alpine</td>
<td>700</td>
<td>$1,600</td>
</tr>
<tr>
<td>Fallbrook</td>
<td>Unlisted</td>
<td>$1,350</td>
</tr>
<tr>
<td>Lakeside</td>
<td>450</td>
<td>$1,500</td>
</tr>
<tr>
<td>Rancho Santa Fe</td>
<td>Unlisted</td>
<td>$1,450</td>
</tr>
<tr>
<td>Valley Center</td>
<td>750</td>
<td>$1,500</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>640 sf</strong></td>
<td><strong>$1,496</strong></td>
</tr>
</tbody>
</table>

Source: County of San Diego, Planning and Development Services, 2020

Combined with the 15 percent of ADUs counted toward very low-income units, a total of 27 percent of ADUs are counted toward the lower-income RHNA. Given the available rental information, as well as the potential for an ADU subsidy program, these assumptions are highly conservative. The remaining 73 percent of ADUs are split evenly between the moderate- and above moderate-income categories (36.5 percent each).

Table 6-C-3: 6th Cycle Assumed ADU Production

<table>
<thead>
<tr>
<th>Factors</th>
<th>6th Cycle ADU Counts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total ADU Production</td>
<td>225 / year</td>
</tr>
<tr>
<td>% Very Low Income</td>
<td>15%</td>
</tr>
<tr>
<td>% Low</td>
<td>12%</td>
</tr>
<tr>
<td>% Moderate</td>
<td>36.5%</td>
</tr>
<tr>
<td>% Above Moderate</td>
<td>36.5%</td>
</tr>
<tr>
<td></td>
<td>1,800</td>
</tr>
<tr>
<td></td>
<td>270</td>
</tr>
<tr>
<td></td>
<td>216</td>
</tr>
<tr>
<td></td>
<td>657</td>
</tr>
<tr>
<td></td>
<td>657</td>
</tr>
</tbody>
</table>

**RHNA CREDITS**

The County may count units that have been issued building permits since the start of the 6th Cycle production period (July 1, 2020) toward the RHNA. Between July 1 and December 31, 2020, the County issued 401 building permits for new dwelling units.

Table 6-C-4: Building Permits Issued July 1, 2020 – December 31, 2020

<table>
<thead>
<tr>
<th>Very Low</th>
<th>Low</th>
<th>Moderate</th>
<th>Above Moderate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>27</td>
<td>169</td>
<td>193</td>
<td>401</td>
</tr>
</tbody>
</table>

The assumed affordability of units that were issued permits was determined by using land value and construction value noted by the permit applicant. The land and construction values were added and multiplied by 1.2 to indicate the approximate sales price (120 percent of construction...
The approximate monthly cost of all required payments was calculated, including the cost of the down payment, interest, monthly mortgage (based on a 30 year fixed-rate loan), property taxes, HOA fees, and homeowners insurance. The maximum allowable monthly payment was calculated using the AMI for different income levels by assuming 30 percent of annual gross expenditures for lower-income households and 35 percent of gross income for moderate and above-moderate households. By comparing the estimated monthly cost and expenditure limits, the units were assigned to their respective income levels.

As described above, ADUs in the unincorporated areas have average rental rates that are affordable to low-income households. However, when estimating affordability for ADU permits, the County used size as a proxy for affordability. ADUs less than 500 square feet were presumed to be affordable to low- and very low income levels, ADUs between 500 and 1,200 square feet were presumed to be affordable to moderate-income households, and ADUs equal to or larger than 1,200 square feet were presumed to be affordable to above-moderate households. These assumptions are conservative and supported by the observed ADU rents in the unincorporated area.

**APPROVED DISCRETIONARY PROJECTS**

During 2021, the County has approved 137 new units through discretionary actions. These units are anticipated to be affordable to above-moderate incomes.

**PROJECTS IN DISCRETIONARY REVIEW**

There are over 1,097 units proposed as part of projects currently in discretionary review. Of these, 18 projects that propose 177 units are have recent plan resubmittals, active review, and ongoing coordination between County staff and applicants. Nearly all of these units will be affordable to above moderate-income households. These 177 units are credited toward the above-moderate income RHNA capacity based on their strong likelihood of being developed during the planning period.

**SPECIFIC PLANNING AREAS**

**OTAY 250 (3,158 DWELLING UNITS)**

The East Otay Mesa Business Park Specific Plan was adopted in 1994 with the intent of spurring the development of a high-tech manufacturing and industrial park to serve the San Diego region. The plan preserved native habitats and provided industrial and technological land, as well as

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providing retail and transportation options to serve new industry. Since its original adoption, the specific plan has been amended eight times. The most recent amendment, Otay 250, was adopted in 2018 and added substantial housing capacity to vacant land north of Otay Mesa Road. Otay 250 established a new mixed-use land use category in the specific plan, which allows for residential, commercial, and employment uses at maximums of 3,158 dwelling units, 78,000 square feet of commercial, and approximately 765,000 square feet of employment use, respectively. All 3,158 potential units are proposed at residential densities between 20 to 40 units per acre consistent with the lower-income unit requirements. Approximately 104.1 acres are designated for residential at densities up to 40 du/ac, and 60.32 acres are designated for residential at densities up to 20 du/ac.

The Otay 250 specific plan amendment was approved along with a tentative map, infrastructure plan, and environmental impact report (EIR). The approved tentative map created 30 lots with most sizes ranging between 2 and 12 acres. These parcels can be developed independently or combined into a larger residential project. The EIR extensively studied and mitigated impacts and risks such as habitat loss, fire hazard, greenhouse gas emissions, and vehicle miles traveled. Based on the vacant land, allowable density, approved tentative map, and infrastructure plan, Otay 250 may accommodate a share of the County’s lower-income RHNA. Use of the same 70 percent yield factor used for the RHNA sites results in a realistic yield of 2,210 units. Of these realistic units at lower-income densities, the County is only including 30 percent (663 units) toward the lower-income RHNA. The remainder (1,547 units) is counted as above-moderate capacity.

| Table 6-C-5: Otay 250 Estimated Capacity for RHNA |
|--------------------------------------------------|---|
| Approved Units at Lower-Income Densities of 20-40 du/ac | 3,158 |
| Realistic Yield (70% of 3,158) | 2,210 |
| Lower Income Yield (30% of realistic yield) | 663 |
| Above Moderate Capacity (70% of realistic yield) | 1,547 |

https://www.sandiegocounty.gov/content/sdc/pds/Current_Projects/Otay-250-Sunroad.html
SITES INVENTORY

DENSITIES REQUIRED FOR INCOME LEVELS

In January 2005, state Housing Element law established new default minimum densities that ranged from 10 to 30 du/ac depending on the type of jurisdiction. The entire County of San Diego, which contains the second largest city by population in California, is considered a single Metropolitan Statistical Area by the US Census Bureau. Consequently, the unincorporated County of San Diego is now considered “metropolitan” under Housing Element law and is therefore subject to a default density of 30 du/ac, the same density that is required of the City of San Diego—even though the unincorporated County, like most unincorporated jurisdictions, is semi-rural or rural in character.

The unincorporated County of San Diego should not be considered “metropolitan” for multiple reasons:

- Large areas (>60% of total acreage) are occupied by entities outside the land use control of the County. These include the Camp Pendleton military base, Anza-Borrego Desert State Park, Cleveland National Forest, and 18 tribal reservations.

- Approximately 80 percent of the land is groundwater dependent and cannot sustain urban or suburban development patterns. The County’s rural, groundwater-dependent communities are home to many lower-income families.

- Less than 10 percent of the land in the unincorporated County is currently served by sewer, which is required to achieve densities above one or two du/ac.

- The amount of land over which the unincorporated County exercises land use authority, particularly land appropriate for high-density development, often decreases through annexations.

- Most land is considered an extreme fire threat area by the California Department of Forestry and Fire Protection, and fire service is limited. Some areas lack structural fire protection, and most fire departments lack equipment that can service structures over two stories.

- Much of the land contains sensitive environmental habitats, and environmental constraints often determine development capacity and patterns.
• The region's employment centers are located within incorporated cities, and most residents commute to coastal job centers.

• Market factors discourage residential development that exceeds 20 to 25 du/ac. Densities above that level typically require structured parking and more expensive building construction methods.

• Funding for transit facilities and improvements is directed toward incorporated jurisdictions, providing little opportunity for these public services in the unincorporated County.

In 2016, the County of San Diego commissioned Keyser Marston Associates, Inc. (KMA) to conduct an assessment of affordable housing development in the unincorporated area. The major components of the KMA study included:

• Identification of recently completed affordable residential developments in the unincorporated area of the County and adjacent cities.

• Assessment of the relationship of specific density ranges and the project type likely to be developed in the County's unincorporated areas, including preparation of illustrative financial pro formas for three multi-family prototypes.

• Estimation of the maximum rent and sales prices affordable to extremely low-, very low-, low-, and moderate-income households, based on 2016 household income statistics distributed by HCD.

• Research of current development trends occurring in the unincorporated areas of the County.

Key findings of the report are:

• Due to the lack of vacant sites at 30 du/ac, limited infrastructure serving the unincorporated areas of the County, and the high cost associated with higher density developments, it has been demonstrated that affordable housing for low-income households can be accommodated on land designated between 20 and 23 du/ac, and affordable housing for very low-income households can be accommodated on land designated between 24 and 29 du/ac.

• Affordable housing developed in the unincorporated County and adjacent cities since 2009 has occurred primarily within a density range of 15 to 29 du/ac.
Per-unit financing gaps are lowest for affordable housing development in the unincorporated area at a density of 24 du/ac for garden-style apartments. In comparison, per-unit financing gaps for stacked flats at 30 du/ac are the least feasible scenario.

The KMA study surveyed affordable housing developments in both the unincorporated area and select incorporated communities located in proximity to the unincorporated County. The study identified a total of 14 affordable housing developments for family households built since 2009 or under construction, comprising a total of 759 units. Of these 14 affordable housing developments, 2 were in the unincorporated area and 12 were in the incorporated cities. Overall, the highest concentration (57%) of the affordable family developments identified were built at densities between 15 and 23 du/ac and the median density for the 14 affordable family developments surveyed is estimated at 20.7 du/ac.

To assess the feasibility of developing affordable housing representative of the type of affordable housing development most likely to occur within the County's unincorporated areas in the near term, the study conducted pro forma analysis on three development scenarios:

- 20 units/acre townhomes
- 24 units/acre garden-style apartments
- 30 units/acre stacked flats

*Table 6-C-6: Per Unit Financing Surplus/(Gap) Summary for Lower-Income Housing* summarizes the gap financing required to subsidize different types of development as housing affordable to lower-income households, using land cost assumptions of five dollars per square foot. The KMA study concludes that to provide housing affordable to lower-income households, subsidies are required for most types of development; however, the levels of subsidies vary significantly.

<table>
<thead>
<tr>
<th>Development Scenario</th>
<th>Low-Income (80% AMI)</th>
<th>Very Low-Income (50% AMI)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With Land Cost</td>
<td>Without Land Cost</td>
</tr>
<tr>
<td>Land Cost at $5 per square foot</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Townhomes (20 du/acre)</td>
<td>($47,000)</td>
<td>($36,000)</td>
</tr>
<tr>
<td>Garden-Style Apartments (24 du/acre)</td>
<td>$13,000</td>
<td>$22,000</td>
</tr>
<tr>
<td>Stacked Flat Apartments (30 du/acre)</td>
<td>($50,000)</td>
<td>($43,000)</td>
</tr>
</tbody>
</table>

Among the three development scenarios, garden-style apartments, at 24 du/ac, represent the most feasible options for lower-income housing in the unincorporated area as there would be
no need for a subsidy for low-income households earning 80 percent AMI. Stacked flat apartments at 30 du/ac would require the highest subsidy for very low-income households earning 50 percent AMI. To extend affordability to very low-income households, subsidies would be required for all housing types. Despite the economies of scale with regard to land costs, stacked flats (at 30 units per acre) require subterranean/structure parking and result in the highest level of subsidies required for lower-income housing.

2020 FEASIBILITY STUDY

In 2020, AECOM reevaluated the financing gap for three multi-family product types (at densities between 20 du/ac and 45 du/ac) that may accommodate low- and very low-income households to determine if the conclusions of the 2016 study remained true in an evolving market. AECOM’s results continue to show that at both levels of affordability (very low and low), garden-style apartments at densities of 20-24 du/ac represent the smallest financing gap. This indicates that garden-style apartments are best able to accommodate affordable rents.46

<table>
<thead>
<tr>
<th>Residential Product Type</th>
<th>Very Low Income (50% AMI)</th>
<th>Low Income (80% AMI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden Style Apartment (20-24 du/ac)</td>
<td>-$190,000</td>
<td>-$81,000</td>
</tr>
<tr>
<td>Stacked Flats (30 du/ac)</td>
<td>-$208,000</td>
<td>-$99,000</td>
</tr>
<tr>
<td>Stacked Flats on Podium (45 du/ac)</td>
<td>-$235,000</td>
<td>-$124,000</td>
</tr>
</tbody>
</table>


These same principles remain applicable to current and anticipated future conditions as they are dependent on the relatively constant costs of construction types and materials. Other recent project pro forma and feasibility studies continue to reaffirm these findings.47 A large percentage of multi-family developments throughout the County demonstrate the relative efficiency of multi-family housing at 20-24 du/ac. The maximum density with the lowest cost parking and construction types yield the best economic return.

Between October 6, 2020 and October 26, 2020, AECOM interviewed ten developers and building industry associates with a strong and active presence in both the incorporated and unincorporated areas of San Diego County. The purpose of the interviews was to gain further insight and validate or challenge the findings of the data driven economic analysis. Three of the ten professionals interviewed were affordable housing developers with direct experience building affordable housing in the unincorporated areas of the County. During these meetings, developers shared that housing types in the range of 20-24 du/ac were typically the most

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46 AECOM. 2020. “Inclusionary Housing and Middle-Income Housing Study for the County of San Diego.”
efficient for the provision of affordable housing units. These practical observations align with the results of AECOM’s pro forma analysis, which found that prototypes in the range of 20-24 du/ac had the lowest financing gap per unit of all the housing types tested. These findings echo the conclusions of the pro forma analysis developed by Keyser Marston Associates for the County’s Housing Element Background Report in 2016.\(^4\)

**DEMONSTRATED AFFORDABLE HOUSING YIELDS**

Additionally, the lower-income housing projects that have been constructed in the unincorporated County support the conclusion that affordable housing is feasible at densities of 20 to 24 du/ac. The four projects shown in the table below were built within four different County communities, —Lakeside, Ramona, Fallbrook, and Alpine — and illustrate that affordable projects are possible in different Villages within the County. The County’s most recently approved fully affordable housing development, the Alpine Village Apartments, will be built at a density of 20 du/ac. Alpine Village Apartments will provide 31 units for very low-income households (<50% of AMI), 6 units for low-income households (50-80% of AMI), and 1 manager’s unit. This project utilized the County’s Gap Financing Program, and demonstrates the feasibility of both financing and developing low- and very-low-income projects at 20 du/ac in the unincorporated area.

**Table 6-C-8: Lower Income Developments in the Unincorporated County**

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Community</th>
<th>Date of Completion</th>
<th>Tenure</th>
<th>Total Units</th>
<th>Affordable Units</th>
<th>Density (du/acre)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silversage Apartments</td>
<td>Lakeside</td>
<td>2010</td>
<td>Rental</td>
<td>80(^1)</td>
<td>72 6</td>
<td>21</td>
</tr>
<tr>
<td>Springbrook Grove Apartments</td>
<td>Fallbrook</td>
<td>2010</td>
<td>Rental</td>
<td>44</td>
<td>1 43</td>
<td>25</td>
</tr>
<tr>
<td>Schmale Family Senior Residences</td>
<td>Ramona</td>
<td>2019</td>
<td>Rental</td>
<td>62</td>
<td>0 62</td>
<td>23</td>
</tr>
<tr>
<td>Alpine Village Apartments</td>
<td>Alpine</td>
<td>Pending/Approved</td>
<td>Rental</td>
<td>38(^1)</td>
<td>6 31</td>
<td>20</td>
</tr>
</tbody>
</table>

\(^{1}\) Includes managers’ units.

Additionally, many affordable housing projects have been built at densities below 30 du/ac in neighboring jurisdictions. A brief list of these is included in Appendix 6-F. These projects further demonstrate that housing for low- and very low-income construction is feasible at densities below 30 du/ac.

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\(^{4\text{AECOM, 2021.}}\)
While densities of 20 du/ac may be realistically used for lower-income units based on the 2020 feasibility analysis and recent project example, the Sites Inventory only includes sites with zoning allowing 24 units or more per acre as eligible for lower-income housing.

**GENERAL PLAN DENSITIES MEET RHNA INCOME CATEGORY**

Table 6-C-9 shows the General Plan land use designations that have the appropriate maximum densities to meet the RHNA household income categories.

<table>
<thead>
<tr>
<th>Income</th>
<th>Lower</th>
<th>Moderate</th>
<th>Above Moderate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Density Designations (&lt;10.9 du/ac)</td>
<td></td>
<td></td>
<td>SR-10</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>SR-4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>SR-2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>SR-1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>SR-0.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>VR-2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>VR-2.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>VR-4.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>VR-7.3</td>
</tr>
<tr>
<td>Low-Medium Density Designations (up to 15 du/ac)</td>
<td></td>
<td>VR-10.9</td>
<td>VR-15</td>
</tr>
<tr>
<td>High Density Designations (up to 20 du/ac)</td>
<td></td>
<td></td>
<td>VR-20</td>
</tr>
<tr>
<td>High Density Designations (up to 30 du/ac)</td>
<td></td>
<td>VR-24</td>
<td>VR-30</td>
</tr>
</tbody>
</table>

1. Nonresidential and Mixed-Use Land Designations have maximum densities set by the Zoning Ordinance. Properties with these land uses use corresponding density to determine the applicable income category.

**DEVELOPMENT CAPACITY CALCULATION**

Careful consideration has been given to the methodology for determining the number of potential dwelling units that an eligible site is likely to produce. The assumed project yields are based on a variety of factors, including actual yields from development projects in comparison to the maximum permitted, and consideration of various regulatory and environmental constraints.

**REVIEW OF MULTI-FAMILY DEVELOPMENT**

A review of multi-family development constructed in the County since 2011 demonstrates that multi-family projects on properties with zoning that exceeds 15 du/ac typically yield approximately 70 percent of the maximum units allowed based on the gross acreage of the site.
On high-density Village Residential land, the average yield is approximately 75 percent of the maximum. *Table 6-C-10* illustrates the yields on these projects in the unincorporated area.

**Table 6-C-10: Village Residential Yields**

<table>
<thead>
<tr>
<th>General Plan Land Use</th>
<th>Average Yield Compared to Maximum Allowed</th>
</tr>
</thead>
<tbody>
<tr>
<td>VR-15</td>
<td>62%</td>
</tr>
<tr>
<td>VR-20</td>
<td>73%</td>
</tr>
<tr>
<td>VR-24</td>
<td>89%</td>
</tr>
<tr>
<td>VR-30</td>
<td>76%</td>
</tr>
<tr>
<td>General Commercial</td>
<td>68%</td>
</tr>
<tr>
<td>Village Core Mixed Use</td>
<td>32%</td>
</tr>
<tr>
<td>Office Professional</td>
<td>71%</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>70%</strong></td>
</tr>
</tbody>
</table>

Note: Properties in Specific Planning Areas were excluded due to potential for artificially increasing project yields.

It should be noted there have been relatively few multi-family projects (fewer than 30) developed in the County since 2011, and that the average yields shown in *Table 6-C-10* are subject to outliers. For that reason, a site yield factor based on the minimum density is utilized when determining the realistic site capacity.

**MINIMUM DENSITY FOR RESIDENTIAL PRIMARY USES**

A program that requires a minimum density yield of 70 percent of the maximum allowed units for residential projects is proposed as a Housing Element program. Therefore, the Sites Inventory capacity uses a base yield calculation of 70 percent for land uses and zones that allow for primary residential uses. The proposed 70 percent minimum density is consistent with project trends and observed yields.

**NONRESIDENTIAL AND MIXED-USE ZONES**

**Mixed Use Zones**

*Fallbrook:* The Fallbrook Village Core mixed-use properties have form-based regulations with densities of 24 du/ac in each implementing zone (Fallbrook Village Zones 1 through 5). Fallbrook Village Zones 1, 2, and 4 require that the residential uses be secondary to the primary use on the property, while Village Zones 3 and 5 allow for residential as the primary use of the property. To account for the decreased yield that is associated with residential as a secondary use, the base yield was set at 60 percent of the maximum.
Alpine: The community of Alpine has a mixed-use area that is implemented by a form-based code (Alpine Village Zones 1 through 3). Residential uses are allowed by-right in each zone. A review of the development standards determined that an assumed density of 24 du/ac was feasible and conservative based on requirements such as setbacks, parking minimums, building heights, and lot coverages. The Alpine zones were assigned a yield factor of 70 percent because residential is allowed as a primary use, and commercial is not required.

Ramona: The community of Ramona has a mixed-use area that is implemented by a form-based code (Ramona Village Zones 3 through 5). Residential is allowed in conjunction with commercial uses in each zone. Depending on its location, a site in Ramona may be required to provide either 50 or 75 percent of its floor area for nonresidential uses. Properties subject to these standards were respectively assigned a 50 percent and 60 percent factor of the allowable density for the anticipated residential yield.

Commercial Zones

Commercial zones that require residential to be secondary uses were assigned a base yield factor of 60 percent of the potential maximum yields. This base 60 percent factor was applied to Zones C30, C32, C36, C37, C8, C40, and C42. The factor accounts for a decrease in yield potential for sites that must include a nonresidential primary use. Commercial zones that allow residential as a sole/primary use (C31 and C34) were assigned a 70 percent factor. The Housing Element includes an implementation program to review the County’s development regulations for opportunities to increase the likelihood and yield of residential development in mixed-use commercial zones.

ENVIRONMENTALLY SENSITIVE AREAS

For projects with any portion of the parcel within an environmentally sensitive area (ESA)\(^{49}\), the area of the site within the ESA was deducted from the acreage. Therefore, none of the calculations based on the acreage count potential units within the ESA. This is a highly conservative estimate, as the County allows for the density of constrained areas to be transferred to other portions of the site.

SPLIT DESIGNATED SITES

For properties with more than one General Plan land use designation, the land use for the majority of the property was used to determine the potential units. The acreage that was not

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within the primary land use was subtracted from the gross acreage and not used for the capacity calculation.

**EXAMPLE CALCULATION**

**Table 6-C-11: Example Parcel**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Plan Land Use</td>
<td>Village Residential 30</td>
</tr>
<tr>
<td>Gross Acreage</td>
<td>1.5</td>
</tr>
<tr>
<td>Density (du/ac)</td>
<td>30</td>
</tr>
<tr>
<td>Yield Factor</td>
<td>70%</td>
</tr>
<tr>
<td>Environmentally Sensitive Area Percentage</td>
<td>20%</td>
</tr>
<tr>
<td>Split Designation (Non-VR 30) Percentage</td>
<td>10%</td>
</tr>
<tr>
<td>Existing Housing Units</td>
<td>1</td>
</tr>
</tbody>
</table>

*Table 6-C-11: Example Parcel* shows a hypothetical 1.5-acre property with an existing single-family home. The property has a General Plan designation of Village Residential 30, with 20 percent of the property in an ESA and 10 percent in another General Plan land use designation. The maximum yield of the property is 45 units.

\[
1.5 \text{ acres} \times 30 \frac{\text{du}}{\text{acre}} = 45 \text{ units}
\]

The adjusted yield to account for reasonable factors is:

\[
1.5 \text{ acres} \times 30 \frac{\text{du}}{\text{acre}} \times 0.7 \text{ yield factor} \times 0.8 \text{ non-ESA} \times 0.9 \text{ VR30} = 22.68 \text{ units}
\]

\[
22.68 \text{ units} - 1 \text{ existing unit} = 21.68 \text{ new units}
\]

The number of potential new units is then rounded to the nearest whole number, so the hypothetical 1.5-acre site would yield a total of 22 units. Ultimately, the potential yield of this hypothetical site would be counted at half of its maximum unit yield (45 units). Based on the observed yields as shown in *Table 6-C-10*, the yield assumptions and calculation provided above represent highly conservative and appropriate assumptions for the assumed capacity of each site included in the inventory.
SITE IDENTIFICATION METHODOLOGY

DATA SOURCES

In compiling an inventory of vacant and non-vacant ("underutilized") sites, the County used GIS to identify parcels with General Plan residential designations of 10.9 to 30 units per acre and commercial and mixed-use zones that allow for residential use. GIS data provided by SANGIS and the County was used to identify potential constraints, including floodplains, ESAs, existing uses, and assessed values. This data was aggregated and queried to identify potentially eligible sites.

HOUSING PRODUCTION AND CAPACITY PORTAL

The County recently published the “Housing Production & Capacity Portal” (portal), which illustrates the number of potential units that may be constructed under the existing General Plan. The portal tracks the dwelling unit capacity for each community planning area and spatially depicts the potential new units in the unincorporated areas. As of February 2020, the portal shows that there are approximately 60,748 remaining potential units under the General Plan. This capacity is adequate to accommodate the overall RHNA of 6,700 units. Therefore, the discussion herein focuses on identifying sites within this capacity that meet the criteria as defined by state law for moderate-, low-, and very low-income sites.

INFRASTRUCTURE ASSUMPTIONS

Much of the vacant land in the unincorporated area would involve “greenfield” development, whereby infrastructure and services must be extended or installed to serve the new development. The provision of these services is typically passed on to the buyer in the form of higher housing costs. Therefore, to address the County’s lower-income housing needs, the County focuses on opportunities associated with high-density development available in urbanized centers where infrastructure and services are in place, but improvements may be necessary to serve the intensified development. Because the sites selected for inclusion in the Sites Inventory are located in urbanized centers (Villages), they are generally free of major environmental constraints such as habitat conservation. The sites selected have access to public water purveyors and sufficient water capacity has been established to serve these sites in conjunction with the 2011 General Plan update. The sites selected also have access to public sewer service or are within proximity of uses that have existing sewer service. Sanitary sewer service may be provided by small wastewater treatment facilities designed to serve a specific development or by a small County sanitation district (community services district). Additionally, all of the selected sites have access to dry-utilities (e.g., telecommunications, electricity).
ENVIRONMENTAL CONSTRAINTS

Properties located substantially within a 100-year floodway or agricultural preserve were excluded from consideration for the moderate- and lower-income Sites Inventory. Other sites that were environmentally constrained were subtracted out using the calculation illustrated above.

Vehicle Miles Traveled

In June 2020, the Board of Supervisors adopted guidance on implementing SB 743, a bill that requires an analysis of vehicle miles traveled (VMT) during the environmental review of a project pursuant to CEQA. The County’s SB 743 implementation guidance sets thresholds at which projects are presumed to have significant impacts on VMT.

As part of the SB 743 implementation, the County adopted map-based screening standards based on the estimated VMT per resident in a given transit analysis zone (TAZ). Areas with VMT at least 15 percent below the unincorporated average are presumed to have no significant impact on VMT, and no mitigation measures are required. Areas with VMT between 85 percent and 100 percent of the unincorporated average may have significant impacts, but these impacts can be mitigated through the inclusion of project-level traffic demand management measures.

Other factors may be used to determine that a project does not have a significant VMT impact. Small residential projects that generate fewer than 110 daily trips are not considered to have a significant impact on VMT, and projects within a half-mile of a major transit stop or along a high-quality transit corridor are presumed to not have significant VMT impacts. Finally, projects that include 100 percent affordable housing are presumed to have less than significant impacts on VMT.

Even though this exemption ensures that VMT will not constrain the development of low-income and moderate-income housing, the County still prioritized identifying lower- and moderate-income sites in VMT-efficient areas. All lower- and moderate-income sites are located in County Villages, which are clusters of concentrated development that have access to neighborhood-serving retail, infrastructure, and transit options. While some of the RHNA sites appear to be located in areas with VMT above the unincorporated County average, the surrounding area may be characterized as high VMT due to a lack of existing data. Often, these small gap areas are surrounded by high efficiency areas. Once developed for housing at or near the allowable density, these areas would become more walkable and likely have VMTs below the unincorporated threshold. All of the selected low- and moderate-income sites are within ½ mile of public transit stops and/or ¼ mile of a dedicated bike route. As these sites are located with
access to transit, it is likely that a potential project on these sites would be able to successfully mitigate the VMT impacts through the location of transportation demand management plans and project features that reduce VMT.

Table 6-C-12 shows that 75 percent of the lower- and moderate-income units included in the Site Inventory would be located within VMT efficient areas, and would not require VMT mitigation. Therefore, 25 percent of the units included in the Site Inventory would be located outside VMT efficient areas. However, projects located outside VMT efficient areas can potentially be exempt from VMT requirements if they meet specific criteria.

Table 6-C-12: VMT Analysis of Site Inventory

<table>
<thead>
<tr>
<th></th>
<th>Number of Units</th>
<th>Percent of Units</th>
<th>Number of Sites</th>
<th>Percent of Sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>VMT Efficient Units</td>
<td>3,156</td>
<td>72</td>
<td>176</td>
<td>75</td>
</tr>
<tr>
<td>Not VMT Efficient Units</td>
<td>1,220</td>
<td>28</td>
<td>60</td>
<td>25</td>
</tr>
<tr>
<td>Site Inventory Total</td>
<td>4,376</td>
<td>100</td>
<td>236</td>
<td>100</td>
</tr>
</tbody>
</table>

*This table does not include Otay 250 Specific Plan since the project was already entitled, and has a certified Environmental Impact Report (EIR), and was not subject to VMT.

Table 6-C-13 evaluates potential projects eligible to receive the Small Residential Project VMT exemption. This exemption is applicable to projects that propose less than 10 units since small residential projects are estimated to generate less than 110 daily trips and have less than significant VMT impacts.

The analysis shows that 22 percent of the non-VMT efficient units would be eligible for the Small Residential Project VMT exemption. In addition, only 17 of the 236 sites listed in the SiteInventory may potentially require VMT mitigation. These 17 sites accommodate 962 units, representing 21 percent of the units identified in the Site Inventory. The analysis excluded the Otay 250 Specific Plan since the project is already entitled and has a certified environmental Impact Report, and was not subject to VMT.

Table 6-C-13: Non-VMT Efficient Sites Eligibility for Small Residential Project Exemption

<table>
<thead>
<tr>
<th></th>
<th>Eligible Units</th>
<th>Not Eligible Units</th>
<th>Total Units</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sites</td>
<td>Units</td>
<td>Sites</td>
</tr>
<tr>
<td>Site Inventory Not VMT Efficient</td>
<td>258</td>
<td>962</td>
<td>1,226</td>
</tr>
<tr>
<td>Percent of Not VMT Efficient</td>
<td>43</td>
<td>17</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>72</td>
<td>28</td>
<td>100</td>
</tr>
</tbody>
</table>

*This table does not include Otay 250 Specific Plan since the project was already entitled, and has a certified Environmental Impact Report (EIR), and was not subject to VMT.
In addition, the Board of Supervisors (Board) has taken actions to address potential constraints associated with the implementation SB 743 guidelines. On May 19, 2021, the Board directed staff to explore options to:

- Assess and explore the process by which infill development can be done in a manner to ensure no VMT mitigation is necessary.
- Explore the potential creation of transit accessible areas and look at the intersection between VMT efficient areas or lower thresholds in accordance with the areas that do not require further analysis. Explore the potential transit corridors and look at the SANDAG Regional Transportation Plan, Metropolitan Transit System (MTS), North County Transit District (NCTD), and other possible areas and how that may impact VMT efficient areas or areas covered by the exemption.
- Explore mitigation of VMT opportunities, looking at a regional mitigation bank, the opportunity for mitigation to not be tied or connected to the project along with the potential of a sliding scale of mitigation based on severity.
- By-right process for development in VMT efficient areas.
- Further exploration of exceptions to the VMT thresholds for affordable housing projects at less than 100% affordable, including mixed income and various components of Area Median Income (AMI), along with exploring the possibility of exceptions for middle income or workforce housing, local hire, and agriculture type projects that might have a net impact of lowering VMT.
- Explore land use density of land that is in VMT efficient areas.
- Continue to track guidance from the California Office of Planning and Research (OPR), along with other governing body efforts, including the SANDAG Regional Transportation Plan.
- Monitor the progress of other jurisdictions as it relates to their adoption, along with what unique programs, exemptions, or opportunities they may be exploring that the County may want to consider.
- Consider a phase in timeline to allow for a transition into a Regional geography.
- Consider compliance options for projects that have already been proposed or are in the process now.
- Conduct an analysis of the options to remove the Local Mobility Analysis.
Inform the Board regarding updates on development of the Smart Growth component of the Climate Action Plan (CAP) SEIR to ensure it is integrated and aligned with efforts around VMT.

Conduct an analysis of proposed housing projects designated for individuals under 60% AMI and under 80% AMI and the potential cost impact of switching to a regional geography.

Even though 17 of the non-VMT efficient sites included in the Site Inventory may not be eligible for the Small Project VMT Exemption, these sites are within a ½ mile of public transit stops and/or a ¼ mile of a dedicated bike route, and are likely able to mitigate VMT impacts. Finally, as directed by the Board, the County will be exploring opportunities to create more smart growth strategies that will facilitate the development of both market rate and affordable housing. For these reasons, VMT will not preclude or constrain development on the sites identified in the inventory.

Fire Hazard Risk Areas

Over 80 percent of the unincorporated County is within a High or Very High Fire Hazard Severity Zone. Many of the areas that are not within high fire hazard areas are not suitable for residential development due to other factors, such as a lack of infrastructure or remote locations with limited access to services or transit, and sometimes are small islands surrounded by very high fire zones.

During the comprehensive 2011 General Plan Update, the County conducted a detailed review of fire risks and planned new housing capacity accordingly. Much of the County's available land for high density development is outside of fire risk areas. However, some land within County villages may be within a higher fire risk zone. These communities, such as Alpine, are still appropriate for additional residential development, because fire risks can be reasonably managed and mitigated. Recent planning efforts, such as the creation of the Alpine Village Mixed-Use designation, establish that communities with high fire risks can accommodate additional housing growth while maintaining smart growth principles. Additionally, the County excluded otherwise eligible sites that were isolated and in very high fire hazard areas.

Fire Prevention Plan Requirements

The County of San Diego 2017 Consolidated Fire Code for the 14 Fire Protection Districts in San Diego County requires an applicant for a parcel map, subdivision map, specific plan or major use permit for any property located in a wildland-urban interface fire area to submit a Fire Protection Plan (FPP) as part of the approval process. The FPP shall consider location, topography, geology, aspect, combustible vegetation (fuel types), climatic conditions and fire
history. The plan shall address the following in terms of compliance with applicable codes and regulations including but not limited to: water supply, vehicular and emergency apparatus access, travel time to nearest serving fire station, structural ignitability, structure set back, ignition-resistive building features, fire protection systems and equipment, impacts to existing emergency services, defensible space and vegetation management. The FPP shall be prepared as prescribed in the County of San Diego Land Use and Environment Group’s “Guidelines for Determining Significance and Report Format and Content Requirements for Wildland Fire and Fire Protection” document.

This FPP is a conceptual plan that provides adequate information to obtain approval for the proposed project from the County of San Diego. A proposed project uses the plan as a basis of design and, once a detailed design has been completed, the detailed plans are submitted to the County of San Diego for review and approval. Projects must be designed in compliance with wildland fire regulations. There are three guidelines for determining significance:

1. Compliance with the recommendations in the FPP based on the results of fire modeling.
2. Meeting the emergency response objectives identified in the Public Facilities Element of the County General Plan. Each project must prepare the Project Facility Availability Form (DPLU Form #399F) and demonstrate the adequacy of emergency services to the project.
3. Being designed in accordance with applicable building and fire codes. The architects, designers, engineers, and contractors are responsible for the implementation of the requirements set forth in this report. The property owners are responsible to maintain their property and structures in accordance with San Diego County Building and Fire Codes.

The comprehensive requirements of Fire Prevention Plans in the unincorporated area illustrate a reasonable method to evaluate, avoid, mitigate and manage wildfire risks. While some of the proposed RHNA sites may be in areas identified as high fire risks, they are in urbanized areas that are adjacent and very close to low or moderate fire risks and the full complement of infrastructure, good accessibility and transportation, and emergency services.

UNDERUTILIZED/NON-VACANT SITES ASSUMPTIONS

Non-vacant/underutilized sites are necessary to meet the lower-income RHNA capacity. These underutilized sites were selected from the Village regions, and thus are assumed to have access to jobs, transit, and other infrastructure. A series of filters was used to remove properties with little capacity for redevelopment and those that have existing uses that would preclude development. The development considered on these sites is consistent with market feasibility
studies and takes into consideration the community character as well as development constraints (emergency services, roads and other infrastructure, environmental, etc.) when evaluating each site’s development potential.

**Assessed Land to Improvement Ratio**

For underutilized sites, the land and improvement values of each parcel were identified. In general, properties with land values that were equal to or greater than the improvement values were included in the Sites Inventory for moderate- and lower-income sites. This reduction removed many lower-income sites with more valuable existing uses that are less likely to be redeveloped for housing. High land-to-improvement ratios are indications of underutilized sites based on existing structures and uses. A limited number of sites did not meet the land to improvement criteria, but were exhibiting other indicators of underutilization, including aging structures or substantially unused land. Adjacent parcels that may not independently meet these criteria but have high potential for parcel assemblage and consolidated were included.

**SANDAG Land Use Assumptions**

Every year, SANDAG publishes a model with information about the existing use of land for each parcel in San Diego County. These land uses were used to exclude existing uses that may inhibit or prevent redevelopment of otherwise underutilized parcels.

Land uses that were excluded from consideration include:

- Hospitals
- Mobile home parks
- Multi-family residential
- Group quarters
- Open space parks and preserves
- Religious facilities
- Governmental and agency facilities

**SIZE**

Only properties that were between 0.5 acres and 10 acres were considered for lower-income housing. Adjacent properties that were otherwise eligible but did not meet the minimum size requirement (i.e., smaller than 0.5 acres) were included in the inventory due to the potential for
lot consolidation/parcel assembly, with the ultimate site totaling more than half an acre. Several recent housing projects relied on lot consolidation to create a larger and more productive site. Additionally, the adjacent lots included to be consolidated in the Sites Inventory frequently have common ownership, or often otherwise function together as a lot. These conditions ensure that small parcel size and/or the need to consolidate lots will not preclude or create constraints on redevelopment for lower-income units. A brief list of some recent properties that used lot consolidation are included in Table 6-C-17: Recent Project Examples below.

Lots that are presumed to be suitable for assembly are contiguous and often share access, parking, or other facilities. Additionally, only a small fraction of the lower-income capacity is met on lots with areas below 0.5 acres. 181 units (5.2 percent) of total lower-income capacity are met on sites that are smaller than 0.5 acres, which would be required to undergo lot consolidation to meet the size requirement. Of these, 102 lower-income units are met on sites with common ownership, meaning that only 79 lower-income units would be truly reliant upon lot consolidation to be eligible for the RHNA. Ultimately the County has adequate sites to meet the RHNA without consolidated lots. While unnecessary, these properties are still included in the Sites Inventory due to their high potential for residential redevelopment during the planning period.

The County’s most recent fully affordable project is reliant on the assemblage of two parcels (one less than 0.5 acres) to create a larger site for an affordable housing project. The Alpine Village Apartments assembled parcels of 0.41 and 1.44 acres to create a site for 38 low- and very low-income units. This project demonstrates that consolidation of smaller sites for affordable housing development is feasible in the unincorporated area.

Finally, the County is developing programs to encourage development on small lots and remove potential constraints on lot consolidation. For example, the County is changing the fee structure for lot consolidation from deposit based to a flat fee, which will lower the costs of review. This type of fee structure provides additional certainty that a permit will be issued, and that additional deposits/cost increases will not be required.

The County is also going to develop a new informational webpage with checklist requirements for lot consolidation, along with dedicating staff to assist applicants with lot consolidation. These improvements will further remove possible constraints from lot consolidation and encourage it for small sites. With these new programs, the County will likely experience increased lot consolidation, particularly on small and high-density sites.
MANUAL EXCLUSIONS

Certain properties that appeared to be eligible based on the criteria listed above but had irregularly shaped lots, common interest ownership, or other visible constraints were excluded from the inventory.

LIKELIHOOD OF DEVELOPMENT

State law requires that the Housing Element Inventory consider the likelihood of development for sites included in the RHNA inventory. The County does not have the authority to mandate housing production but can only establish regulatory frameworks and incentives to spur housing growth. Many different factors, including market conditions, existing uses, and development regulations, influence a property owner/developer’s decision to construct housing on a potential site. The following methods and trends provide evidence that the selected sites are likely to develop over the planning period.

Total General Plan Capacity and Existing Site Improvements

The County’s Housing Production and Capacity Portal indicates that the County has over 60,000 units of unbuilt and realistic units remaining under the existing General Plan framework. This number continues to grow as the County amends its General Plan to increase development capacity. The Housing Element is not required to provide an exhaustive list of all sites with development potential. Generally, the total remaining capacity illustrates that even if only 11 percent of the available units are developed, the County will achieve its RHNA goal of 6,700 total units.

Given the overall capacity and potential for accommodating the RHNA, the County focused on identifying parcels that are highly likely to develop during the 6th Cycle. To identify these sites, the County selected properties where the assessed land value is greater than the assessed improvement value. A land-to-improvement ratio greater than 1.0 indicates that the sites are underdeveloped and are likely to develop because the existing improvements are marginal or aging, clear indications that the site is “ripe” for development. Other factors were also used to determine the likelihood of development, such as age of structure, existing uses, and ability to yield a substantive increase in housing units over existing conditions. The Sites Inventory in the Housing Element represents only a snapshot of existing conditions at a point in time. Over the course of the Housing Element planning period, circumstances for individual properties and owners’ intent are fluid, impacting the likelihood for near-term development, which is beyond the control of any local government.
Past Production Trends

Past production trends illustrate that the County is on track to meet the overall goal of 6,700 units produced over the 6th Cycle. Over the 5th Cycle (2013-2020), the County issued permits for 6,627 units, and approved/added capacity for thousands more through specific plans and General Plan amendments. This past production trend clearly demonstrates that the development of 6,700 total units is likely during the 6th Cycle. Furthermore, the County is adopting a suite of programs to further incentivize housing production, with the goal of exceeding the allocation of 6,700 total units.

In Process/Likely Units

The County is already on track to exceed the total RHNA allocation based on approved projects, ADU trends, and discretionary projects currently in review. At the beginning of this 6th eight-year cycle, the County has already identified 6,500 of the 6,700 RHNA units that are very likely to be built during the period. This includes 1,800 ADUs, recent approvals of 1,938 units in Otay Village 13 and 1,266 units in Otay Village 14, 401 building permits issued between July 2020 and December 31, 2020, and 1,097 units currently pending approval. It should be noted that while recently entitled, Villages 13 and 14 were not included in the Sites Inventory and are not necessary to meet the RHNA. The 6,500 unit total above does not include the 3,158 allowed units in the Otay 250 specific planning area (included as a site in the inventory), or the thousands of other units that can be expected to be approved and permitted during the balance of the eight-year cycle. While many of these approved and pending units will be affordable to moderate-income and above moderate-income households, the robust number of units in the pipeline clearly demonstrates that significantly more than the 6,700 units are likely to be developed during the 6th Cycle.

ADEQUATE SITES

The County has adequate capacity to meet its RHNA for this Housing Element period as shown in Table 6-C-9, which summarizes residential development potential for ADUs, approved specific plans, issued building permits, and site capacity. The development considered in this table is consistent with market feasibility studies and takes into consideration the community character as well as development constraints (emergency services, infrastructure, environmental, etc.) when evaluating each site’s development potential.

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50 Units in review are not being counted as credits toward the RHNA, but are still likely to be constructed over the planning period.
Overall, the County has adequate capacity to address its RHNA for households at all income levels. To meet the RHNA for lower-income families, the Housing Element Sites Inventory relies on sites with densities that allow 24 to 40 du/ac. The Sites Inventory includes capacity for 3,478 very low-and low-income units. Therefore, all of the lower-income housing need can be met with the proposed inventory. A total of 2,912 potential units were identified as suitable for moderate-income households.

Housing for the above moderate-income group can be easily accommodated by approved and in process projects. The combination of the Otay 250 Specific Plan, ADUs, approved discretionary projects, discretionary projects in review, and units that have already been permitted totals 2,711 units, exceeding the above-moderate allocation of 2,709 units. Additionally, residential land in the Village, Semi-Rural, and Rural regional categories designated at densities of 7.3 units per acre and lower offers opportunities for above moderate-income households. The Housing Capacity and Production Portal illustrates that there are tens of thousands of other potential above-moderate units in the Semi-Rural and Rural areas that were not identified in the Sites Inventory.

All sites with opportunities for future housing to accommodate very low-, low-, and moderate-income households are identified by parcel number in the Sites Inventory, which can be found in Appendix 6-G and Appendix 6-H.

Table 6-C-14: Adequate Residential Capacity by Income

<table>
<thead>
<tr>
<th></th>
<th>Very Low (≥ 24 du/ac)*</th>
<th>Low (≥24 du/ac)*</th>
<th>Moderate (10.9-20 du/ac)</th>
<th>Above Moderate (≤ 10.9 du/ac)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>RHNA (2021-2029)</td>
<td>1,834</td>
<td>992</td>
<td>1,165</td>
<td>2,709</td>
<td>6,700</td>
</tr>
<tr>
<td>ADUs</td>
<td>270</td>
<td>216</td>
<td>657</td>
<td>657</td>
<td>1,800</td>
</tr>
<tr>
<td>Building Permits Issued</td>
<td>12</td>
<td>27</td>
<td>169</td>
<td>193</td>
<td>401</td>
</tr>
<tr>
<td>Discretionary Projects Approved (2021)</td>
<td>137</td>
<td></td>
<td></td>
<td>137</td>
<td></td>
</tr>
<tr>
<td>Discretionary Projects in Process</td>
<td>177</td>
<td></td>
<td></td>
<td>177</td>
<td></td>
</tr>
<tr>
<td><strong>Identified Units</strong></td>
<td><strong>2,290</strong>*</td>
<td><strong>2,086</strong></td>
<td><strong>2,912</strong></td>
<td><strong>2,711</strong></td>
<td><strong>9,101</strong></td>
</tr>
<tr>
<td>Otay 250 Specific Plan</td>
<td>663*</td>
<td></td>
<td></td>
<td>1,547</td>
<td>2,210</td>
</tr>
<tr>
<td><strong>TOTAL UNITS</strong></td>
<td><strong>3,478</strong>*</td>
<td></td>
<td><strong>2,912</strong></td>
<td><strong>2,711</strong></td>
<td><strong>9,101</strong></td>
</tr>
<tr>
<td>Surplus</td>
<td>652*</td>
<td>1,747</td>
<td>2</td>
<td></td>
<td>2,401</td>
</tr>
</tbody>
</table>

*For the purposes of RHNA and no net loss law, low and very-low income capacity can be grouped together as “lower income.”
NON-VACANT SITES

The County has adequate sites to meet more than 50 percent of its lower-income RHNA through ADUs, building permit credits, or on non-vacant sites. The County accommodates a total of 1,444 units of lower-income capacity through ADUs, credits, and vacant sites, which exceeds the 50 percent of the 2,826 lower-income unit allocation (1,834 + 992 = 2,826; 2,826/2 = 1,413 units).

### Table 6-C-15: Non-Vacant Sites Toward the RHNA

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower Income RHNA Requirement</td>
<td>2,826</td>
</tr>
<tr>
<td>50% of Lower Income RHNA</td>
<td>1,413</td>
</tr>
<tr>
<td>Otay 250 Specific Plan (Vacant)</td>
<td>663</td>
</tr>
<tr>
<td>ADUs</td>
<td>486</td>
</tr>
<tr>
<td>Building Permits</td>
<td>39</td>
</tr>
<tr>
<td>Other Vacant Sites in Lower-Income Inventory</td>
<td>256</td>
</tr>
<tr>
<td><strong>Total Lower Income Accommodated through ADUS, Credits, and Vacant Sites</strong></td>
<td><strong>1,444</strong></td>
</tr>
</tbody>
</table>

Non-vacant sites are an important source of potential development to meet the lower-income RHNA obligations. The inventory identifies capacity for 3,342 units on sites available for very low, low, and moderate-income households on non-vacant sites. Many of these sites were included in prior Housing Element inventories, and are therefore subject to by-right approval of projects that include 20 percent of affordable housing on the site.

*Table 6-C-16* illustrates the realistic potential of lower and moderate-income units by the existing use. Single-family residential accounts for the majority of the existing uses, with potential for 1,872 units. Uses classified as “other” accounted for 567 units. The remaining non-vacant sites have existing uses consisting of agriculture, commercial, and light industrial.

### Table 6-C-16: Non-Vacant Sites - Existing Uses

<table>
<thead>
<tr>
<th>Use Type</th>
<th>RHNA Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Residential</td>
<td>1,870</td>
</tr>
<tr>
<td>Agriculture</td>
<td>432</td>
</tr>
<tr>
<td>Commercial</td>
<td>370</td>
</tr>
<tr>
<td>Light Industrial</td>
<td>103</td>
</tr>
<tr>
<td>Other (parking lots, equestrian facilities)</td>
<td>567</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,342</strong></td>
</tr>
</tbody>
</table>

---

51 542 of units classified as “other” are located on an underutilized equestrian center in a County Island.
All non-vacant sites have been reevaluated and subjected to a restrictive selection criteria to ensure the sites are likely to be developed within the next eight years. These non-vacant sites fall into two main categories: non-vacant with existing residential uses and non-vacant with existing nonresidential uses. While a brief description of these uses is provided below, Appendix 6-I contains additional analysis for non-vacant sites, including specific site examples and descriptions.

**PROJECT HISTORY FOR NON-VACANT SITES AND LOT CONSOLIDATION**

While much residential development in the unincorporated area occurs on vacant or previously agricultural sites, the County has also seen numerous examples of redevelopment of single-family homes, and commercial/industrial properties for housing. *Table 6-C-17: Recent Project Examples* identifies recent examples of projects involving development on non-vacant sites and/or lot consolidation in the unincorporated area. The projects in the unincorporated area are consistent with regional trends: a high demand for housing, combined with a decreased demand for traditional commercial and industrial have facilitated the recycling of underutilized properties towards higher density housing.

<table>
<thead>
<tr>
<th>Location</th>
<th>Previous Use</th>
<th>Lot Consolidation</th>
<th>Redevelopment Description</th>
<th>Year</th>
<th>Density (du/ac)</th>
<th>Size (acres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lakeside</td>
<td>Single Family Home</td>
<td>No</td>
<td>Existing single-family structure was retained and subdivided to build 4 additional single family homes.</td>
<td>2018</td>
<td>2.97</td>
<td>1.68</td>
</tr>
<tr>
<td>Lakeside</td>
<td>Multiple Small Lot Single Family Homes</td>
<td>Yes</td>
<td>Single family homes redeveloped into 26 unit condominium project.</td>
<td>2018</td>
<td>11</td>
<td>2.35</td>
</tr>
<tr>
<td>North County Metro</td>
<td>Multiple Single-Family Homes and Agricultural Uses</td>
<td>Yes</td>
<td>5 Single Family homes and agricultural uses are proposed to be consolidated and redeveloped to 70 townhomes.</td>
<td>Pending</td>
<td>9.3</td>
<td>7.52</td>
</tr>
<tr>
<td>Location</td>
<td>Previous Use</td>
<td>Lot Consolidation</td>
<td>Redevelopment Description</td>
<td>Year</td>
<td>Density (du/ac)</td>
<td>Size (acres)</td>
</tr>
<tr>
<td>------------------</td>
<td>----------------------------------------------------------</td>
<td>-------------------</td>
<td>------------------------------------------------------------------------------------------</td>
<td>-------</td>
<td>----------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Fallbrook</td>
<td>Small Commercial/Multi-family and Parking Lot (previous use unknown)</td>
<td>No</td>
<td>Small commercial or residential structures and parking lot redeveloped to 44 affordable apartments.</td>
<td>2011</td>
<td>24.85</td>
<td>1.77</td>
</tr>
<tr>
<td>Ramona</td>
<td>Vacant</td>
<td>Yes</td>
<td>Multiple adjacent vacant lots consolidated and redeveloped with 31 residential units.</td>
<td>2017</td>
<td>12.55</td>
<td>2.47</td>
</tr>
<tr>
<td>County Islands</td>
<td>Single Family, industrial storage, and heavy agriculture (mixed use-site)</td>
<td>No</td>
<td>Site with single family home, equipment, and intensive agriculture redeveloped for 48 residential apartments.</td>
<td>2019</td>
<td>21.72</td>
<td>2.21</td>
</tr>
<tr>
<td>Alpine</td>
<td>Multiple Single Family homes and accessory structures</td>
<td>Yes</td>
<td>Two single family homes and accessory structures consolidated and with proposed redevelopment for 38 units of affordable housing.</td>
<td>Approved 2021</td>
<td>20.54</td>
<td>1.85</td>
</tr>
<tr>
<td>Spring Valley</td>
<td>Big Box and Strip Commercial Center</td>
<td>Yes</td>
<td>Existing big box and strip commercial center was converted to 92 detached condominium units.</td>
<td>Under Construction</td>
<td>8.9</td>
<td>10.34</td>
</tr>
<tr>
<td>North County Metro</td>
<td>Heavy Agriculture/Orchard and Accessory Uses, Equestrian Center</td>
<td>Yes</td>
<td>Existing agricultural land (avocado orchard) converted to 326 residential units, amenities, parks, and trails.</td>
<td>2018</td>
<td>2.19</td>
<td>149.00</td>
</tr>
<tr>
<td>Lakeside</td>
<td>Commercial building, automotive repair, industrial/storage, single-family dwelling</td>
<td>Yes</td>
<td>Existing commercial, industrial, and single-family parcels consolidated and redeveloped for a 57 unit density bonus project.</td>
<td>2020</td>
<td>19.86</td>
<td>2.87</td>
</tr>
</tbody>
</table>
Table 6-C-17, continued

<table>
<thead>
<tr>
<th>Location</th>
<th>Previous Use</th>
<th>Lot Consolidation</th>
<th>Redevelopment Description</th>
<th>Year</th>
<th>Density (du/ac)</th>
<th>Size (acres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lakeside</td>
<td>Existing single-family unit and accessory structure</td>
<td>No</td>
<td>Existing proposed single-family unit to be redeveloped for 35-unit density bonus project.</td>
<td>2021</td>
<td>20.23</td>
<td>1.73</td>
</tr>
</tbody>
</table>

While many of the projects that were built on non-vacant sites or took advantage of lot consolidation were lower density, the County is including this program in its Housing Element to further encourage development on smaller sites, facilitate lot consolidation, and otherwise remove constraints that may preclude redevelopment.

**NON-VACANT RESIDENTIAL USES**

The non-vacant residential sites that have been identified include sites in the Village Residential designations with maximum densities of 15, 20, 24 and 30 du/ac that have an existing single-family detached residence. The permitted densities ensure that there is a minimum net development potential of at least six times the existing residential for a 0.5-acre lot. A 10-acre site in a VR-20 area would have a net potential yield of nearly 200 times the existing dwelling units. The substantial potential for new housing units will create incentives for the redevelopment and intensification of these existing homes.

Properties with apartments, condominiums, and group-homes were not identified in the Sites Inventory. The County has seen many examples of single-family homes being redeveloped for higher density residential uses, as shown in Table 6-C-17: Recent Project Examples. The County filtered potentially eligible sites to only select those with structures containing relatively low improvement values, as well as a preference for large sites. The combination of both the restrictive filters (such as the lot size and limits on improvement value), along with recent project history gives substantial evidence that the existing residential uses would not preclude or constrain redevelopment for higher density uses. A total of 1,870 units of lower- and moderate-income capacity are included on sites with existing single-family residential uses.

**Example: Non-Vacant Residential Site**

*Figure 6-C-1* below illustrates an example of a non-vacant residential site included in the inventory. The site is located in Fallbrook, has an existing single-family home and accessory structure, along with minor agricultural uses. The existing zoning allows for a realistic estimate of 38 new units to be constructed on the property. Adjacent properties are developed with...
multifamily uses. Based on recent trends, the existing use is likely to be discontinued and redeveloped in the planning period.

**Figure 6-C-1: Non-Vacant Residential Site**

**NON-VACANT, NONRESIDENTIAL USES**

In addition to the strict selection criteria and potential dwelling unit yield factors above, the nonresidential, non-vacant sites in the inventory are only from zones with similarly maximum density yields of 20 du/ac or greater suitable for development of housing for lower-income households. This category includes sites that were previously identified as “vacant” but do not meet HCD’s current criteria for “vacant” sites. These include “semi-vacant” sites with active uses but few physical improvements (e.g., properties used for agriculture, parking lots, and minor improvements such as sheds, or shade structures.)
Excluded from the Sites Inventory were public/quasi-public, governmental, religious, institutional, transportation, and multi-family uses. These sites were also evaluated with the use of aerial and street view imagery to identify and exclude any observable conditions that might otherwise prevent or discourage redevelopment within the next eight-year period. Such conditions would include obvious recent capital improvements and new construction, and/or evidence of high revenue generation. Non-vacant, nonresidential uses included in the Sites Inventory have large lots, aging structures, and low improvement values. These properties are generally located in areas of the County with the best access to transportation, amenities, and jobs, making them ideal for new residential growth. Furthermore, the Housing Element contains goals, policies, and implementation actions that make it likely that these properties will be redeveloped for residential uses in the future. Program 3.1.1.H commits the County to reevaluating residential in commercial zoning, and take actions to make the existing mixed-use zoning standards more clear and transparent by creating objective standards for residential development in mixed-use zones. Program 3.1.2 includes commitments to work with regional agencies, other local governments, and developers to encourage new housing development in transit-rich neighborhoods. These programs, along with the other ongoing constraint reduction programs listed in Table 6-B-8, further increase the likelihood that non-vacant properties with high residential potential will be redeveloped during the planning period.

As demonstrated in Table 6-C-17: Recent Project Examples, multiple recent projects have involved the conversion of non-vacant nonresidential uses to housing. One project in Spring Valley underwent a General Plan Amendment and converted a commercial shopping center to housing and residential amenities. Another in a County Island converted a site used for industrial storage and agriculture to high-density apartments. The Sites Inventory contains underutilized commercial, agricultural, and light industrial sites parcels exhibiting similar existing conditions to those that were redeveloped. In particular, underutilized commercial properties are facing strong redevelopment pressures, both regionally and in the unincorporated area. The Market Conditions section below describes the challenges facing retail and nonresidential uses, further illustrating that these sites are likely to be redeveloped during the planning period. A total of 1,472 units of lower- and moderate-income unit capacity are included on sites with existing nonresidential uses.

Example: Non-Vacant, Nonresidential Site #1

Figure 6-C-2 below illustrates an example of a non-vacant, nonresidential site included in the inventory. The site is located in Fallbrook, and is currently used for commercial/industrial purposes. The existing use largely consists of parking and storage, with three structures. The
structures are aging and have low improvement values. The existing uses and structures will not preclude or prevent redevelopment, and the use is likely to be discontinued in the short term.

**Figure 6-C-2: Non-Vacant, Nonresidential Site #1**

![Figure 6-C-2: Non-Vacant, Nonresidential Site #1](image)

**Example: Non-Vacant, Nonresidential Site #2**

*Figure 6-C-3 illustrates another example of a non-vacant, nonresidential site included in the Sites Inventory. The site(s) are located in Spring Valley, and with existing uses across multiple parcels including light industrial, underutilized commercial, and a few detached residential units. The existing improvements have low values, and the structures and properties appear to be in aging and/or in need of repairs. Additionally, much of each lot is utilized for storage or parking. Finally, these properties are adjacent to other residential uses (both multi-family and single family). Given the existing uses and recent project trends, these properties are likely to be redeveloped during the 6th Cycle.*
Additional descriptions of non-vacant sites, existing typologies, and uses are included in Appendix 6-J.

**MARKET CONDITIONS**

Fewer than 30 multi-family projects, including three affordable housing projects, have been developed in the unincorporated County since 2011.

Housing has been developed on seven nonresidential sites since 2010. This is evidence that existing market conditions do not prohibit the construction of housing on nonresidential sites. These housing developments on nonresidential sites occurred in six different communities throughout the unincorporated County: Alpine, Valle de Oro/Spring Valley, North County Metro, Rancho Santa Fe, Ramona, and Lakeside. Proposed eligible sites are located in many of these same communities.

Many of the limited nonresidential areas in the unincorporated County have similar market conditions. Relatively isolated areas with low traffic volumes, low population densities, and low
area employment limit the demand for commercial uses and increase the desirability and feasibility of the development of housing on nonresidential sites.

Global trends have had a significant impact on retail uses. The proportion of total retail conducted through e-commerce has grown steadily from single digit percentages to nearly 12 percent through late 2019. This has had a measurable impact on retailers of all sizes and markets, including those in the unincorporated County. These County commercial areas have limited market sheds due to their relatively remote locations surrounded mostly by very low-density rural and semi-rural residential and agricultural uses. The additional competition from e-commerce makes such areas more precarious for commercial uses. Redevelopment with or for residential uses is a good alternative to declining demand for existing commercial space and provides additional customers to support the remaining commercial uses.

The COVID-19 pandemic has had a dramatic impact on market conditions, and appears to favor more development of housing on nonresidential sites. Competition from e-commerce has contributed to pressure and decline in brick and mortar retail stores of all sizes and locations. The percentage of retail sales via e-commerce has increased nearly 50 percent from 11 percent in the second quarter of 2019 to 16 percent of total retail sales in the second quarter of 2020. The percentage of online retail sales increased nearly 35 percent from 12 percent in the first quarter of 2020 to 16 percent in the second quarter of 2020 during the early effects of COVID-19 in the United States. Many businesses have gone out of business and are not expected to return. While this proportion of sales can be expected to decline with adaption to and after conclusion of the pandemic, some of the effects are expected to be permanent. The percentage of total sales will likely remain above pre-COVID-19 rates, consistent with the pre-COVID-19 trend.

Another anticipated long-term impact of the COVID-19 pandemic has been the rapid acceleration, expansion, and broad adoption of the long-term trend toward increased telecommuting and remote working. Many office spaces have become vacant, idle, and/or obsolete in this changing employment shift. There is broad evidence of the rapid adaptation and some increased efficiencies in worker productivity as a result of reduced commuting and increased virtual meetings. This has further softened the nonresidential market and creates further opportunities and incentives for redevelopment for or with residential uses.

The societal changes associated with COVID-19 also reduce some of the previous deterrents to higher-density residential development in the unincorporated County villages, i.e., the long distance and travel times to employment centers. An anticipated permanent increase in work from home will reduce demand for traditional office workspaces. This will result in an increased softness in the long-term market, and an incentive for new remote work environments incorporated into residential development.

As a result of the filtering and exclusions and the significant net remaining residential development potential, the selected sites have the strongest market incentives and no identifiable constraints for the development for housing at densities suitable for lower- and moderate-income households.

AB 1397 requires non-vacant sites and sites that were included in two or more elements to be subject to by-right approval for projects that include at least 20 percent affordable for lower-income households. The County will develop a by-right approval program. This will create an additional strong incentive to construct such inclusionary projects and will increase the feasibility and likelihood of development of the inventory sites during the eight-year period.

**AFFIRMATIVELY FURTHERING FAIR HOUSING**

Affirmatively furthering fair housing as related to the Sites Inventory is discussed in Appendix 6-I.

**FINANCIAL RESOURCES**

The County has access to a number of funding programs to expand and preserve the affordable housing stock, including preserving low-cost rental housing at risk of converting to market-rate housing. Given the high cost of housing in the San Diego region, multiple funding sources are required to finance an affordable housing project.

**HOUSING AND URBAN DEVELOPMENT ENTITLEMENT GRANTS**

**Community Development Block Grant**

The Community Development Block Grant (CDBG) program was initiated by the Housing and Community Development Act of 1974. The primary objective of the program is to develop viable urban communities by providing decent housing, a suitable living environment, and economic opportunities, principally for persons of low incomes (up to 80 percent AMI).

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CDBG funds can be used for a wide array of activities, including the following:

- Housing rehabilitation
- Down payment and other homeownership assistance
- Lead-based paint screening and abatement
- Acquisition of buildings and land
- Construction or rehabilitation of public facilities and infrastructure
- Removal of architectural barriers
- Public services for low-income persons and persons with special needs
- Rehabilitation of commercial or industrial buildings
- Loans and grants for businesses that provide employment for low-income persons

The County receives an annual allocation of CDBG funds. Funds can be used in seven jurisdictions that comprise the Urban County: the County unincorporated area and the cities of Coronado, Del Mar, Imperial Beach, Lemon Grove, Poway, and Solana Beach.

**HOME Investment Partnership**

The HOME program was created as part of the 1990 National Affordable Housing Act to provide federal funds for the development and rehabilitation of affordable housing for low-income households. The program gives local governments flexibility to fund a wide range of affordable housing activities through partnerships with private industry and nonprofit organizations. HOME funds can be used for activities that promote affordable rental housing and homeownership by low-income households, including the following:

- Building acquisition
- New construction and reconstruction
- Moderate or substantial rehabilitation
- Homebuyer assistance
- Tenant-based rental assistance

The County receives HOME funds annually. However, this funding is used within 13 jurisdictions that comprise the HOME Consortium: the County unincorporated area and the cities of...
Carlsbad, Coronado, Del Mar, Encinitas, Imperial Beach, La Mesa, Lemon Grove, Poway, San Marcos, Santee, Solana Beach, and Vista.

**Emergency Solutions Grant**

The Emergency Solutions Grant (ESG) program provides persons experiencing homelessness with basic shelter and essential supportive services. ESG funds can be used for a variety of activities, including the following:

- Rehabilitation or remodeling of a building used as a shelter
- Operations and maintenance of a homeless facility
- Essential supportive services (e.g., case management, physical and mental health treatment, substance abuse counseling, and childcare)
- Homeless prevention

ESG funds must be matched dollar-for-dollar with non-federal funds or “in-kind” donations, such as the value of a donated building, supplies and equipment, new staff services, and volunteer time. The County receives ESG funds annually which can be used within the seven-jurisdiction Urban County.

**Housing Opportunities for Persons with AIDS**

The Housing Opportunities for Persons with AIDS (HOPWA) program provides grant funds to design long-term, comprehensive strategies for meeting the housing needs of low-income persons living with HIV/AIDS. HOPWA funds can be used for a variety of activities, including the following:

- Acquisition, rehabilitation, or new construction of housing units
- Facility operations
- Rental assistance
- Short-term payments to prevent homelessness

The City of San Diego, as the most populous unit of general local government in the San Diego-Carlsbad Metropolitan Statistical Area, is the HOPWA grantee according to the program’s formula allocation process. Changes under the Housing Opportunity Through Modernization Act allow a HOPWA grantee to designate another unit of local government as an alternative grantee, and receive HOPWA funds directly from the federal government. The City of San Diego has
designated the County as the alternative grantee and the County will receive HOPWA funds directly from HUD on an annual basis.

REDEVELOPMENT HOUSING SET-ASIDE

Prior to February 1, 2012, California Community Redevelopment Law required 20 percent of the tax increment generated from a redevelopment project area to be set aside for low- and moderate-income housing activities. The unincorporated County had two redevelopment project areas: Upper San Diego River Improvement Project Area and Gillespie Field Redevelopment Project Area.

On February 1, 2012, state law (AB 26) required the dissolution of all California redevelopment agencies. As a result, redevelopment housing set-aside funds are no longer available to generate future affordable housing. Pursuant to the statute, unobligated project area fund balances are required to be submitted to the County Auditor Controller for distribution to affected taxing agencies.

With the dissolution of redevelopment agencies, the County receives additional General Fund revenues from the Redevelopment Property Tax Trust Fund that would have otherwise been dedicated to affordable housing. These funds are a potential source of revenue that can be used to support the development of affordable housing.

NOTICE OF FUNDING AVAILABILITY

HCDS uses a Notice of Funding Availability (NOFA) process to solicit proposals for affordable housing development and related service programs. Funds are awarded on a competitive basis. Applicants are assessed for their ability to demonstrate that the funding request is necessary to make the development proposal financially feasible and a strategy for leveraging funds is in place. Whether or not discretionary permits are necessary, applicants submitting proposals involving new construction, acquisition, or change of use must present the proposal to the appropriate community planning/sponsor group and request their vote on the project, prior to submittal of the NOFA application. The application must document the community planning/sponsor group’s response to the presentation and/or vote on the proposal, if one was taken.

A variety of funding sources may be deployed through the NOFA process and the amount of funding available depends on the balance of funds allocated to activities the NOFA is released for. Funding source requirements are specified in the NOFA and successful proposals must demonstrate compliance with the applicable funding source requirements.
OTHER FUNDING SOURCES

In addition to the previously mentioned funding sources, state and federal sources are periodically made available and the County continually evaluates new programs and applies for funding as needed. Additionally, local funding programs may be developed to address needs identified at the local level.

ADU Fee Waivers

In January 2019, the County Board of Supervisors voted to waive permit and building fees for ADUs. The fee waiver program is estimated to result in a projected potential reduced revenue of up to $11 million over five years, and a significant savings for applicants that can be used toward the construction of ADUs in the unincorporated County.

OPPORTUNITIES FOR ENERGY CONSERVATION

The County adheres to Title 24 of the International Building Code with regard to energy efficiency requirements. In addition, the County’s HOME- and CDBG-funded residential rehabilitation and development programs encourage the use of energy conservation features. Weatherization improvements and installation of energy-efficient systems are eligible activities under the County’s rehabilitation assistance programs, such as the Single-Family Home Repair Loan Program and Multi-Family Rehabilitation Program.

The Global Warming Solutions Act of 2006 requires that the state’s global warming emissions be reduced to 1990 levels by 2020. The County offers a Green Building Incentive Program which is designed to promote the use of resource-efficient construction materials, water conservation, and energy efficiency in new and remodeled residential and commercial buildings. The program offers incentives of reduced plan check turnaround time and a 7.5 percent reduction in plan check and building permit fees for projects meeting program requirements.

The County’s Water Conservation and Landscape Design Manual has been selected by local jurisdictions as a template for a regional Landscape Design Manual aimed at water conservation. The County has also developed a Low Impact Development Handbook, which serves as the guidance structure for the development of best management practices to reduce the amount and toxicity of urban runoff from the built environment. The reduction in impervious surfaces and the use of trees, vegetated swales, and rain gardens not only reduce runoff but also save energy by reducing heat.

In addition to the existing programs, new programs will continue to be implemented through the Conservation and Open Space Element of the 2011 General Plan.
ADMINISTRATIVE RESOURCES

Various government agencies, nonprofit organizations, and private developers form the institutional structure that delivers housing activities and programs in the unincorporated area. These agencies are involved in the new construction, acquisition, rehabilitation, and preservation of housing, including the preservation of low-cost rental housing at risk of converting to market-rate housing.

SAN DIEGO COUNTY AGENCIES

Housing and Community Development Services (HCDS)

HCDS serves as the lead department for the County of San Diego in implementing affordable housing programs and activities and administering HUD entitlement funding. HCDS also serves as the County’s public housing agency through the Housing Authority of the County of San Diego. Key housing programs administered by HCDS include:

**Rental Housing Assistance Programs:**
- Section 8 Housing Choice Vouchers, Project-Based Vouchers, and Preservation Vouchers
- Family Self-Sufficiency
- Housing Opportunities for Persons with AIDS
- Moderate Rehabilitation
- Emancipated Foster Youth
- Family Unification
- Mainstream
- Veterans Affairs Supportive Housing (VASH)
- HOME Tenant-Based Rental Assistance

**Community Development Programs:**
- Home Repair Loan Program
- Down Payment and Closing Cost Assistance Program
- Community Development Block Grant Program
- Affordable Housing Development
- Programs to address homelessness

Public Housing Developments (all properties are outside the unincorporated County):

- Dorothy Street Manor — Chula Vista (22 family units)
- L Street Manor — Chula Vista (16 family units)
- Melrose Manor — Chula Vista (24 family units)
- Towncenter Manor — Chula Vista (59 senior units)
- Firebird Manor — San Marcos (38 family units)

Planning & Development Services

Planning & Development Services (PDS) is responsible for planning and managing the use of land in the unincorporated County. Specifically, PDS is responsible for reviewing and processing development applications, including residential development proposals. Development incentives offered by PDS to facilitate housing development, particularly housing for low- and moderate-income households and households with special needs, include:

- Density bonus
- Expediting permits for lower-income housing
- Farmworker housing fee waiver
- Permitting of second units
- Permitting of mobile/manufactured homes

Health and Human Services Agency

Key housing-related services and programs offered by the Health and Human Services Agency include:

- Foster Home Services
- Homeless Support Services
- Office of AIDS Coordination
NONPROFIT ORGANIZATIONS

By making funding available for affordable housing development, the County partners with non-profit organizations that construct affordable housing or acquire/rehabilitate at-risk housing developments. The County partners with nonprofits that have both the legal and managerial capacity to develop, acquire, or rehabilitate affordable housing. Some of the key nonprofit housing developers active in the region include:

- Affirmed Housing
- Community Housing Works
- Many Mansions
- Meta Housing
- National CORE
- San Diego Habitat for Humanity
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