



Good Neighbors

San Diego
Housing Commission

REPORT

DATE ISSUED: February 3, 2006

ITEM# 104

REPORT NO.: HCR06-12
For the Agenda of February 10, 2006

SUBJECT: Housing Element Informational Report

SUMMARY

Issue: Should the San Diego Housing Commission Board support the City of San Diego's 2005-2010 Housing Element?

Recommendation: That the San Diego Housing Commission Board support the City of San Diego's Housing Element (Draft #5) and provide input or suggestions as necessary.

Environmental Impact: Environmental Analysis Services will prepare an environmental document based on the Environmental Impact Report (EIR) for the Strategic Framework Element of the General Plan.

Housing Impact: The Housing Element is part of the City of San Diego's General Plan. This planning document requires policies and quantifiable programs to achieve housing related goals, including addressing affordable housing challenges and solutions.

DISCUSSION

A copy of the fifth working draft of the 2005–2010 General Plan Housing Element has been provided for your review. The City of San Diego is requesting that the San Diego Housing Commission Board provide input, comments or suggestions regarding the above referenced document. The Housing Element has been reviewed by community planning groups and a twenty member working group representing a comprehensive array of interests. A workshop was held for members of the Planning Commission on November 17, 2005 and the report is included as attachment 1. The Planning Commission did not request any major policy changes, therefore only minor modifications have occurred subsequently. San Diego Housing

For the Agenda of February 10, 2006

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Commission staff has been involved throughout the process in establishing affordable housing goals and objectives.

The Housing Element is pending completion of an environmental analysis. Once the environmental review document is completed, a final draft will be forwarded to Housing and Community Development (HCD), Planning Commission (PC) and San Diego City Council for consideration and approval.

Respectfully submitted,

Approved by,

**Signature on File
With Original Document**

D. Todd Philips
Chief of Policy and Government Relations

Elizabeth C. Morris
President and Chief Executive Officer

Attachments:

1. Planning Commission Report No. PC-05-283
2. City of San Diego Housing Element (Draft #5)



THE CITY OF SAN DIEGO

REPORT TO THE PLANNING COMMISSION

DATE ISSUED: November 11, 2005 REPORT NO. PC-05-283

ATTENTION: Planning Commission
Agenda of November 17, 2005

SUBJECT: Workshop on the draft 2005-2010 Housing Element

SUMMARY

THIS IS A WORKSHOP ON THE FOURTH WORKING DRAFT (NOVEMBER 2005) OF THE 2005-2010 SAN DIEGO GENERAL PLAN HOUSING ELEMENT. NO ACTION IS REQUIRED ON THE PART OF THE PLANNING COMMISSION AT THIS TIME.

BACKGROUND

A copy of a fourth working draft of the 2005-2010 General Plan Housing Element has been provided for your review and has been posted on the Planning Department web site. The Housing Element is a part of the General Plan. However, it is subject to state laws that differ from those governing the other General Plan elements. The state mandates that the Housing Element be updated every five or six years and all Housing Elements in a given region of the state be updated on the same schedule. In the San Diego region the previous two Housing Elements were required to cover 1991-1998 and 1999-2004 and the current one to cover 2005-2010. By contrast, the remainder of the General Plan is a 20-25 year document for which each jurisdiction sets its own schedule. In addition, following City Council adoption, the California Department of Housing and Community Development (HCD) must approve and certify the Housing Element.

There are numerous state regulations specifying what must be included in the Housing Element. The format and content of the draft document reflect these requirements. There are five major goals that must be covered. Jurisdictions are required to establish policies and quantifiable programs to achieve these five overall goals. The goals are as follows:

- 1) Ensure the provision of sufficient housing for all income groups.
- 2) Maintain the safety and livability of the existing housing stock with an emphasis on preserving the affordable housing stock.
- 3) Minimize government constraints in the development, improvement and maintenance of housing.

- 4) Provide affordable housing opportunities for low-income renters and low-and moderate-income homebuyers.
- 5) Facilitate compliance with all applicable federal, state and local laws and regulations.

HCD sets goals for overall housing production in each region of the state. The regional planning agency divides the goals among jurisdictions. For the 7.5 year period from January 1, 2003 to June 30, 2010, the San Diego region's new housing production goal is 107,301. The San Diego Association of Governments (SANDAG) assigned the City of San Diego a goal to produce 45,741 of these units (42.6 percent of the regional goal). This corresponds roughly with San Diego's portion of the total regional population.

State law also mandates that a portion of the overall production goal be allocated to moderate-, low-and very low-income households. Moderate-income households are defined as those earning 80-120 percent of area median income, low-income households earn 50-80 percent of area median income and very low-income households earn less than 50 percent of area median-income. SANDAG has assigned the City of San Diego a goal of producing 8,645 moderate-income units, 8,090 low-income units and 10,645 very low-income units during the period from January 1, 2003 to June 30, 2010.

State law does not require that the production goals actually be achieved but rather that adequate land in each jurisdiction be available (zoned and planned for residential development) to meet the goals. There is no requirement that any particular site be developed during the 2005-2010 period, only that an adequate number of housing units could theoretically be developed to meet the goal.

The City is required to prepare an Adequate Sites Inventory of sites that have potential to be developed or redeveloped for residential use. A summary of the inventory is provided at the end of the Housing Element (Table 19). The inventory shows that San Diego has land available for nearly 120,000 additional housing units without need for any zoning or plan changes. This is far above the goal of producing 45,741 units by June 30, 2010. Therefore, the City will not be required to rezone land for residential use prior to 2010.

The Adequate Sites Inventory also shows that the City has adequate sites to meet our low-and very low-income goals up to 2010. Only sites zoned and designated for residential use at 30 units per acre or greater are considered by the state to be suitable for low-and very low-income housing. The inventory shows that there are sites available for approximately 56,400 units on lands zoned at 30 units per acre or greater, far exceeding the goal that 16,735 low-and very low-income units be produced by 2010.

Of the 56,400 potential low and very low-income units, 5610 units were completed, under construction or in the review process during the period July 1, 2003-March 2005.

While the City has the adequate sites required for low and very-low income units for the 2005-2010 housing element cycle, actual production of affordable units has been below the RHNA goals during the past decade and is likely to remain below these goals during the next several years, particularly for very-low income units.

DISCUSSION

In addition to the overall production goals and goals for lower income people, the Housing Element has many recommendations for meeting the housing needs of special needs populations, including students, the elderly, people with disabilities, military and the homeless.

Housing Issues of Particular Interest

There are several topics for which goals, policies and programs are provided in this Housing Element that were not addressed in the previous 1999-2004 Housing Element. Other topics are addressed in more detail in this document. Many of these are issues raised by the Affordable Housing Task Force in their report of June, 2003. These include some of the most controversial housing issues that the City has been facing in the past few years, such as inclusionary housing, universal design/accessible housing, farm worker housing, density bonus, single room occupancy hotel regulations and condominium conversions. The City is currently in the process of preparing revised regulations or taking other specific actions to address these issues. The Planning Commission has provided input recently on most of these issues which is reflected in the draft Housing Element language.

Reduced Federal Involvement in Affordable Housing

Unfortunately, some of the quantifiable goals have actually been reduced from previous housing elements. This is primarily due to the federal government's decreasing role in helping lower income people with housing needs. There have been significant reductions in federal funding for programs such as Section 8 and the HOME program, which have been fundamental parts of the City's affordable housing strategy in the past. Also, some types of housing, such as mobile homes, that provided a source of affordable housing in the past are less feasible to build today in San Diego due to high land costs. Today, affordable housing must be built at greater densities. Therefore, emphasis has been shifted away from mobile homes as a housing solution in this Housing Element.

Housing Element Review Process

HCD provided an initial review of the second draft of the 2005-2010 Housing Element. They requested some additional background and supporting information but have not indicated any significant problems with the policies and programs in the draft. This fourth draft contains most of the additional background information requested by HCD.

A working group with approximately 20 members has also reviewed earlier drafts of the Housing Element. Members of this diverse group include affordable housing advocates, special needs housing advocates, community planning group members, and for profit and non profit housing developers. This draft includes a number of suggestions received from the working group. The Community Planners Committee (CPC) has also received an earlier draft and has had one meeting to discuss the Housing Element. They have not yet provided any specific comments on this document.

The Housing Element is still in working draft form so there is an opportunity to incorporate additional suggestions from stakeholders. An environmental review of the Housing Element is currently underway. The type of environmental document required has not yet been determined. A second CPC discussion is planned after the environmental documentation is complete. Planning Commission and City Council hearings are anticipated in early 2006.

CONCLUSION

The 2005-2010 Housing Element is intended to address the primary housing challenges facing San Diego and at the same time meet all State legal requirements for housing elements. Many of the proposed solutions to the affordable housing crisis are complex and highly controversial. The Housing Element pledges continued work on these solutions during the next five years.

Respectfully submitted,

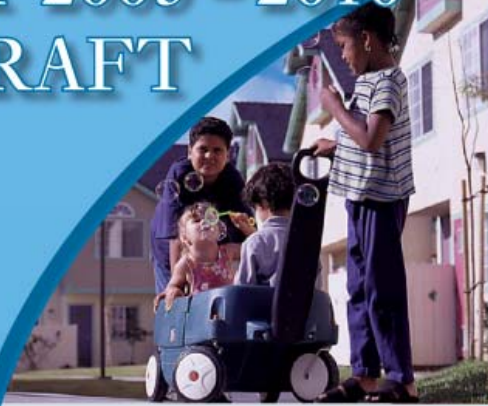
William Levin
Senior Planner
Planning Department

Betsy McCullough, AICP
Deputy Director
Planning Department

MCCULLOUGH/LEVIN/jd

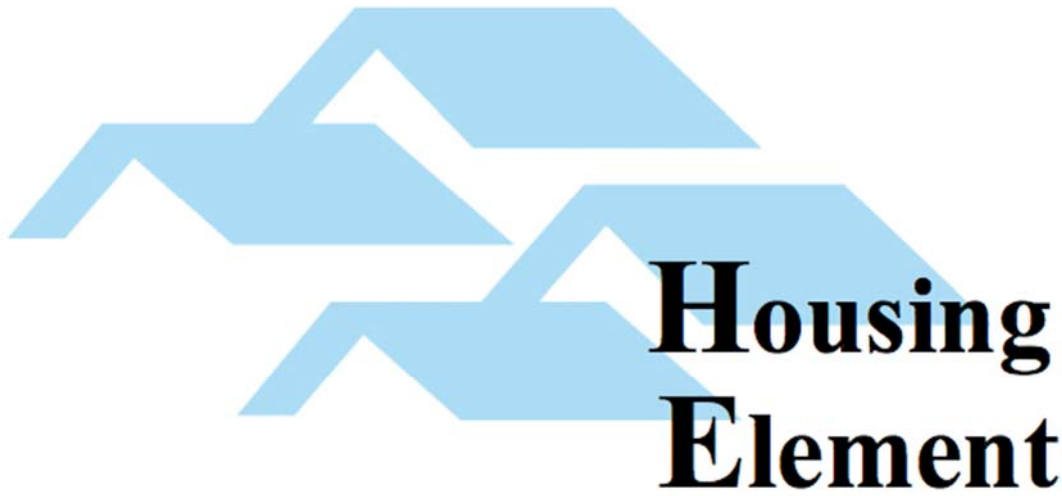
Attachment: City of San Diego 4th Draft General Plan [Housing Element](#), November 2005

City of San Diego General Plan Housing Element FY 2005 - 2010 DRAFT



THE CITY OF SAN DIEGO

**City of San Diego
General Plan**



**Housing
Element**

FY 2005-2010 DRAFT

**FIFTH WORKING DRAFT
JANUARY 27, 2006**



Printed on recycled paper.

This information, or this document (or portions thereof), will be made available in alternative formats upon request.



City of San Diego Housing Element

FY 2005 - FY 2010

January 27, 2006

DEPUTY MAYOR

Toni Atkins

CITY COUNCIL

Scott Peters, First Council District
Tony Young, Fourth Council District
Brian Maienshein, Fifth Council District
Donna Frye, Sixth Council District
Jim Madaffer, Seventh Council District

CITY MANAGER

P. Lamont Ewell

CITY ATTORNEY

Michael Aguirre

Prepared by:

Planning Department
San Diego Housing Commission

Adopted by City Council, _____

Resolution Number R- _____



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Kathleen Garcia, Vice-Chair
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Gil Ontai, Commissioner,
Dennis Otsuji, Commissioner
Mark Steele, Commissioner

PLANNING DEPARTMENT

S. Gail Goldberg, Planning Director
Betsy McCullough, Deputy Planning Director, Community Planning
Coleen Clementson, Program Manager
Bill Levin, Senior Planner, Project Manager
John Kenyon, Intern
Anna Shepherd, Associate Planner
Tait Galloway, Associate Planner
Mike Klein, Information Systems Analyst II

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Elizabeth Morris, President and CEO
Carol M. Vaughan, Chief Operating Officer
Cissy Fisher, Housing Finance and Development Director
Ann Kern, Senior Program Analyst

HOUSING ELEMENT WORKING GROUP

Scott Malloy, alternate Matt Adams: Building Industry Association
Susan Baldwin: San Diego Association of Governments
Mike Conroy: Accessibility Advocate
Cyndi Jones: Accessibility Advocate
Hannah Cohen: Homeless Advocate
Alan Pentico: San Diego Apartment Association
Matt Jumper: Non Profit Housing Developer
Tom Scott: San Diego Housing Federation
Richard Lawrence: San Diego Housing Coalition
Martuza Baxa: Center for Policy Initiatives
Kevin Malone, alternate: Martin Akinfosile, San Diego Organizing Project
Ann Menashe: SRO Advocate
Ann Fathy: Farm Worker Housing Advocate
Mike Nagy: Chamber of Commerce
Sherm Harmer: Housing Developer
Susan Tinsky, alternate: Liz Higgins, San Diego Association of Realtors
Jack McGrory: Housing Task Force Member
Robert Ilco: Community Planners Committee
Michael Sprague: Community Planners Committee

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Introduction

INTRODUCTION

Despite the many efforts to address the housing needs of San Diego residents outlined in previous City of San Diego Housing Elements, the overall housing situation in the City has markedly worsened during the five years that have passed since the 1999-2004 Housing Element was adopted.

In the past, the lack of affordable housing was primarily a problem for low- and very low-income residents and for people with special needs. Today a large majority of San Diegans cannot afford to purchase the median price home in this City or region (\$608,300 in May 2005 according to California Association of Realtors) and a large number of working people cannot afford any housing in the region—rental, or for sale. People have responded to this situation in several ways including doubling up, moving further from jobs and relocating away from the City and region. Increased homelessness, longer commute times, increased congestion, energy (gasoline) use and pollution are unwelcome results of the lack of affordable housing in San Diego.

San Diego got into this situation gradually and it will take a concerted multi-year effort to begin to resolve the problem. The housing shortage is similar in most other coastal California counties. The underlying problems are limited land supply available for housing, infrastructure deficiencies and community opposition or resistance to increased density on the land that is available. Competing priorities such as the need to protect environmentally sensitive land and to reduce development in the vicinity of airports have further limited the land available for housing in recent years. This City and region no longer have enough land to allow traditional single-family housing to be the dominant form of housing. Gradually, more and more of the housing that is built is in multifamily units at varying densities but not nearly enough has been built to satisfy demand. The single-family units being built are increasingly only for the top end of the market.

As the supply of available land has dwindled, strategies for providing affordable units have had to change. Only a decade or two ago, detached mobile homes and garden-style apartments with surface parking were viewed as key elements of an affordable housing strategy. Current land prices make it difficult to produce affordable units in low-density projects while the expense of constructing concrete and steel buildings with underground or structured parking limits affordability in high-rise construction. Currently, most affordable housing is being provided in three- to four-story wood construction buildings with recessed or surface parking.

The increased difficulty of building new affordable units in San Diego has been occurring at a time when federal programs to assist low-income residents with housing needs has been steadily decreasing. Section 8 rental assistance and other federal programs are gradually being reduced or phased out. Money to allow acquisition and rehabilitation of existing housing for low- and moderate-income residents has also been decreasing. It has become much more difficult for the Housing Commission to find and acquire units to be rehabilitated because of the rapid run up in prices and the competition for older rental units, with developers interested in upgrading them into higher priced rental units or converting them to condominiums.

During the past five years there has been a very rapid increase in the number of rental units converted to condominiums and applications for condominium maps to allow more conversions. This trend has had the positive effect of increasing the supply of relatively affordable for-sale housing (relative to the price of new housing and older single-family housing units—still not affordable for many San Diego residents). At the same time, the condominium conversions have had the negative effect of reducing the rental housing supply.

Due to the severe housing crisis in the City, the Mayor and City Council created an Affordable Housing Task Force in 2002. The Task Force had 20 members representing a wide range of interests. In June 2003, the Task Force published a comprehensive report recommending a wide range of measures to address the shortage of housing affordable and accessible to lower income and special needs populations. Some of these measures, including an Inclusionary Housing requirement and an expedite program for processing affordable housing projects, have been adopted and implemented. Other recommendations, including proposals to provide revenue to fund affordable housing and the infrastructure needed to support housing have not yet been adequately addressed.

One encouraging trend in the past five years has been a dramatic increase in the pace of housing development in the downtown area. 6,344 units have been completed downtown since 2001 and another 4,623 units are currently under construction. Downtown's population is anticipated to rise from 27,000 currently to 80,000 in the next 15-20 years. Similar, though less dramatic increases in housing are underway in other inner city redevelopment areas. A variety of efforts to ensure that a significant portion of the new housing being built in redevelopment areas are affordable to low- and moderate-income people are outlined in this Housing Element.

The City of San Diego currently has enough land zoned and designated for housing to meet its RHNA (Regional Housing Needs Assessment) housing supply goals for the next five years. However, eventually it will be necessary to rezone and redesignate more land to allow higher-density housing. It is anticipated that this process will take place beginning in 2006 as individual community plans are updated. Current goals are to update approximately four to five community plans per year over the next decade. Gaining community acceptance of the higher-density housing that will need to be built will be our most challenging task. A variety of tools and methods to achieve this goal will be necessary, some of which are described in this Housing Element.



Executive Summary

EXECUTIVE SUMMARY

A. Purpose of Housing Element

The Housing Element is one of seven elements of the Progress Guide and General Plan (General Plan) mandated by state law. The law states that a Housing Element shall be updated at five-year intervals and shall “consist of standards and plans for the improvement of housing and for the provision of adequate sites for housing,” and shall “make adequate provision for the housing needs of all segments of the community.” More specifically, the Housing Element is intended to identify and analyze the City’s housing needs, establish reasonable goals, objectives and policies based on those needs, and set forth a comprehensive five-year program of actions to achieve, as fully as possible, the identified goals and objectives.

Implementation of the Housing Element will be primarily the responsibility of the San Diego Housing Commission, Planning Department and Development Services Department. However, other City departments and agencies will also be involved including the redevelopment corporations, Community and Economic Development Department, Office of Neighborhood Code Compliance, Engineering and Capital Facilities Department, Real Estate Assets Department and Water Utilities Department. In addition, various state and federal agencies will be asked to supply funding assistance. On the private sector side, developers, lending institutions and individual property owners will be prime participants. Also, the not-for-profit sector will have a vital role in providing affordable housing.

This Housing Element recognizes that it is not possible to meet San Diego’s total housing needs within the five-year timeframe. With respect to this point, Section 65583(b) of the California Government Code states in part:

It is recognized that the total housing needs . . . may exceed available resources and the community’s ability to satisfy the need . . . Under these circumstances, the quantified objectives need not be identical to the identified existing housing needs, but should establish the maximum number of housing units that can be constructed, rehabilitated and conserved over a five-year time frame.

B. Relationship of Housing Element to Remainder of General Plan

State law requires the Housing Element to be consistent with other elements of the General Plan. Since the Housing Element must normally be updated every five to seven years and the remainder of the General Plan is updated less frequently, it is difficult to assure perfect consistency between the Housing Element and other elements.

In October 2002, the City adopted a new element of the General Plan called the Strategic Framework. This new element provides principles and guidelines for guiding San Diego's anticipated growth through 2020. The Strategic Framework Element lays out a vision for the next 20 years in San Diego and addresses critical issues relating to infrastructure adequacy and funding, appropriate density levels and the relationship between economic growth and population growth. This Housing Element update is intended to be consistent with and help implement the goals of the Strategic Framework Element. Concurrent with this update of the Housing Element, the City is revising the Strategic Framework Element and creating a new Land Use Element to standardize land use categories, incorporate density and intensity ranges for each land use category and identify commercial sites that can incorporate housing in mixed use developments. In addition, a new Economic Prosperity Element will address potential to reuse some commercial land for housing or mixed use incorporating residential use.

To assure consistency of the Housing Element with other elements of the General Plan, the City commits to two actions: (1) evaluate each proposed community plan and General Plan amendment for impacts on the Housing Element; and (2) prepare an annual report summarizing progress made toward achieving Housing Element goals and summarizing cumulative impacts of community and General Plan amendments adopted during the year on the Housing Element.

C. Plan Organization and Content

This Housing Element includes objectives, policies and programs for each of the following five major goals:

1. Provision of an Adequate Site Inventory and New Construction
2. Maintenance and Conservation (including preservation of existing low-income housing and rehabilitation)
3. Reduction of Governmental Constraints
4. Affordable Housing Opportunities
5. Administrative (including fair share and community balance, use of redevelopment set-aside funds, reduction of housing discrimination and energy conservation)

Qualitative and quantitative goals and objectives which the City has identified based on the level of resources anticipated to be available to achieve each of the goals are provided. The quantified objectives cumulatively add up to the "Maximum Feasible Units for New Construction, Rehabilitation and Conservation" which the City believes can be accomplished during this five-year Housing Element cycle. Section E of this Introduction and Executive Summary provides more information on the "Maximum Feasible Units."

Following the detailed description of the five goals, additional background information and technical appendices are provided. The Background Information section includes information on the demographic characteristics of the population, the overall existing and

projected housing needs among all economic segments of the City's population, including subpopulations, such as seniors, people with disabilities, the military, students, farm workers, the homeless, etc., and existing governmental and nongovernmental constraints to development.

A lack of affordable housing opportunities often results in renter and homeowner households "overpaying" for housing. In 2000, the City of San Diego has approximately 181,572 low-income (0-80 percent AMI) households.¹ This was an increase from 160,500 low-income households in 1993. Approximately 71 percent of these households are renter households and the remainder are homeowner households. The following is a breakdown of the very low-income² and low-income³ renter and homeowner households "overpaying"⁴ for housing.

- In 2000 there were 81,113 *very low-income (0-50 percent AMI)* renter households. Of these, approximately 78 percent paid more than 30 percent of their income toward housing costs and 64 percent spent more than 50 percent of their income toward housing costs.
- There were another 47,383 *low-income (51-80 percent AMI)* renter households. Of these, 46 percent paid more than 30 percent of their income on housing costs and eight percent spent more than 50 percent.
- There were 25,371 *very low-income (0-50 percent AMI)* homeowner households. Of these, approximately 72 percent paid more than 30 percent of their income on housing costs and 59 percent paid more than 50 percent.
- There were another 27,705 *low-income (51-80 percent AMI)* homeowner households. Of these, approximately 52 percent paid more than 30 percent of their income on housing costs and 24 percent paid more than 50 percent.

Approximately 65 percent of all low-income households paid more than 30 percent of their income on housing.

The Technical Appendices section of this document provides additional support for the information contained in the first two sections.

-
1. U.S. Department of Housing and Urban Development, Comprehensive Housing Affordability Data Book, 2000
 2. Very Low-income households have gross income between (0-50 percent) of the AMI
 3. Low-income households have gross income between (51-80 percent) of the AMI
 4. Households who spent over 30 percent of their income on housing costs

D. Regional Share Goal

State law requires regional councils of government throughout the state to determine “regional share goals” for each local jurisdiction within their region. These goals are the projected share of regional housing needs for all income groups for the next five-year housing element cycle. The regional share goals are based on “market demand for housing, employment opportunities, the availability of suitable sites and public facilities, commuting patterns, type and tenure of housing need, the loss of low-income units eligible to convert to market rate status and the housing needs of farm workers⁵.” State law also states that the distribution of regional share goals shall seek to reduce the concentration of low-income households in cities and counties which already have disproportionately high proportions of low-income households.

San Diego’s regional share goal for the 7.5-year period January 1, 2003-June 30, 2010 has been determined by SANDAG to be 45,741. This goal is further broken down by income group as follows:

| | |
|-----------------------|--------|
| Very Low-Income | 10,645 |
| Low-Income | 8,090 |
| Moderate-Income | 8,645 |
| Above Moderate-Income | 18,362 |

The regional share goal does not mean that San Diego must provide these numbers of housing units affordable in each income category. Instead, San Diego must have sufficient vacant and potentially redevelopable land zoned for residential use in various density categories to potentially meet the goals in each income group. The state Department of Housing and Community Development generally utilizes a threshold of 30 units per acre as the minimum density needed to potentially provide housing units for low- and very low-income households in urban areas. Fortunately, for the FY 2005-2010 period, San Diego does have sufficient land available that is designated for 30 units per acre or higher.

In spring 2005 a comprehensive adequate sites inventory was undertaken in accordance with state law. The inventory results, which are summarized by community planning area in **Table 22** on page 207 indicate that as of January 1, 2003 there was an overall inventory of land planned and zoned for residential use to accommodate approximately 119,000 units in San Diego of which approximately 58,000 were on land zoned and planned at an intensity that could support low and very low-income units (30 dwelling units per acre or more).

In recent years San Diego has permitted an average of approximately 6,000-7,000 new residential units per year while losing a few hundred units per year due to demolitions. Between January 1, 2003 and July 1, 2005 the overall housing stock increased by approximately 14,000 to 16,000 units. Approximately 2,500 to 3,000 low- and very low-income units were produced from 2003-early 2005. San Diego’s portion of the 7.5-year regional share goal that remained unbuilt (and not under construction) as of July 1, 2005

5. Section 65584 of the California Government Code

is approximately 30,000 units, including approximately 9,000 very low-income units, 7,000 low-income units, 8,000 moderate-income units and 6,000 above moderate-income units. Units produced since 2000 have been primarily above moderate-income units reflecting high land and construction costs. The low- and very low-income units that have been built used a variety of subsidies. Very few moderate-income units have been built during this period because subsidies are very limited for this income group and costs do not permit them to be built without subsidies.

E. Maximum Feasible Units for New Construction, Rehabilitation and Conservation

State Housing Element law requires an identification of the maximum number of housing units which can feasibly be constructed, rehabilitated and conserved during the Housing Element cycle. The table below provides these estimates, in summary form, for the City. The estimates are based on the quantified objectives and program targets proposed in the body of the Element.

The estimates are also based on a comprehensive assessment of current economic and market conditions and resources anticipated to be available through the conclusion of this Housing Element cycle.

**TABLE 1
MAXIMUM FEASIBLE UNITS FOR NEW CONSTRUCTION,
REHABILITATION AND CONSERVATION BY INCOME LEVEL**

| Income Group | New Construction | Rehabilitation | Conservation |
|-----------------------|-------------------------|-----------------------|---------------------|
| Extremely low-income | 0 | 550 | 0 |
| Very low-income | 2,065 | 1,110 | 0 |
| Low-income | 1,915 | 450 | 500 |
| Subtotal | 3,980 | 2,110 | 500 |
| Moderate-Income | 8,869 | 200 | 0 |
| Above Moderate-Income | 19,057 | 0 | 0 |
| Subtotal | 27,926 | 200 | 0 |
| Total | 31,906 | 2,310 | 500 |

For New Construction, figures for the extremely low, very low and low-income categories are based on an assessment of government resources anticipated to be available. For the moderate- and above moderate-income categories, the numbers in the new construction column of the table reflect actual regional share figures for those income groups. It is assumed that most of those households will be served by the private sector. While the table reflects an anticipated 27,926 units in the moderate and above moderate categories, the actual number produced will, in part, be a function of economic conditions. Recently, the private sector has produced few moderate-income units and only very limited government subsidy programs are available to help moderate-income households with their housing needs.

The City acknowledges that the total of 3,980 new units for the low- and very low-income groups is substantially below its regional share goal of 18,735 units for these same groups. However, a realistic appraisal of resources anticipated to be available, based on current and anticipated funding allocations and economic conditions yields this estimate of units. In its adopted Consolidated Plan, the City has set forth a policy of emphasizing acquisition, rehabilitation and rent subsidies as the most cost effective way of meeting the housing needs of low- and very low-income households. This policy reflects the fact that in many instances, new construction is not the most cost-effective method of providing affordable housing, given land costs and housing prices in San Diego. The City will continue to work in partnership with the private and nonprofit sectors to help generate affordable housing opportunities for low- and very low-income households through these activities and others during the current Housing Element cycle. In addition, there will be an ongoing effort to identify new funding sources to augment and replace those that are no longer available. The 2,310 units proposed for rehabilitation are based on the number of units which could potentially be rehabilitated with available and projected program resources over the five-year Housing Element period. The estimate of units potentially targeted to the low-, very low-, and extremely low-income groups are based on (1) the affordability restrictions built into the HOME program which is the source of funding for the rental rehabilitation program; (2) for the Housing Commission's zero interest deferred loans for owner-occupied rehabilitation and mobile home grants, eligibility is limited to owners whose income is 50 percent or less of AMI and average income of participants in both these programs is 30 percent of AMI. Therefore, for these programs, it is assumed that half of the participants will be extremely low-income and half will be very low-income, and (3) projected use of Redevelopment set-aside funds, based on a projection of approximately \$25 million in set-aside funds generated during the five-year housing element cycle and an average subsidy of approximately \$25,000 per unit.

The 500 units proposed for Conservation in the low- and very low-income categories combined are based on achievement of the objective of preservation of ten percent of the units at risk of converting to market-rate status during the first five-year period of the ten-year at-risk analysis.

F. Impediments to Housing Affordability

This Housing Element Update identifies a number of impediments to housing affordability. They include:

- Land costs
- Infrastructure deficiencies in older urbanized communities
- Permit processing and development review procedures
- Construction defect litigation
- Community opposition to higher-density and affordable housing developments

During this Housing Element cycle, progress has been made locally toward addressing some of these impediments with a net effect of reducing housing development costs in all income categories. This progress includes:

- Implementation of Process 2000 and Project Management procedures and a Project Tracking System to streamline project processing
- Establishment of a Technical Advisory Committee to advise Council on policies and regulations that impact the development process allowing more condominium construction
- Reduction of water and sewer fees, with a further reduction for affordable housing developments
- Establishment of Affordable Housing Expedite Program
- Adoption of the Land Development Code, which includes several provisions that facilitate housing affordability.

It is anticipated that the General Plan update process will address other remaining impediments to housing affordability. These include:

- Infrastructure deficiencies in older urbanized communities
- Fees
- Identification of potential additional development opportunities for residential and mixed-use development
- Continued education of the public on the need for affordable housing and how higher-density and affordable housing developments can “fit in” with prevailing design characteristics without causing undue unmitigated impacts

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Section I

Policies, Programs and Implementation Charts



Goal 1

Ensure the provision of sufficient housing for all income groups to accommodate San Diego's anticipated share of regional growth over the next Housing Element cycle, FY 2005 - FY 2010

GOAL 1

ENSURE THE PROVISION OF SUFFICIENT HOUSING FOR ALL INCOME GROUPS TO ACCOMMODATE SAN DIEGO'S ANTICIPATED SHARE OF REGIONAL GROWTH OVER THE NEXT HOUSING ELEMENT CYCLE, FY 2005 - FY 2010

QUANTIFIED OBJECTIVE

Provision of an Adequate Site Inventory

Maintain an inventory of both vacant and redevelopable land which is distributed throughout the City in such a way that the City can achieve its 7.5 year regional share goal of 45,741 units, as allocated by SANDAG in the Regional Housing Needs Statement during the period January 1, 2003-June 30, 2005. The inventory shall not fall below the number of sites required to accommodate 75,000 single-family and multifamily housing units even by the end of this period.

CHANGES TO QUANTIFIED OBJECTIVE FROM PREVIOUS HOUSING ELEMENT

No change from the previous Housing Element, except for the changed regional share goal and slightly reduced anticipated inventory at the end of the planning period. An adequate site inventory was done during the first half of 2005 which shows that as of January 1, 2003, the City had a sufficient site inventory to accommodate approximately 119,000 additional housing units, thus easily exceeding the quantified objective. The inventory is summarized in **Table 21**.

POLICIES

1. The Planning Department shall monitor residential development for its impact upon remaining development capacity and ability to provide public facilities and services and to ameliorate deficiencies in such facilities and services in a timely manner.
2. Through community plan updates, plan amendments, action plans and other community-oriented planning documents, the City shall continue to identify areas appropriate for both single-family and multifamily development, as well as already developed areas where existing development patterns should either be maintained or altered.
3. Through the community plan update process, the City shall designate land for a variety of residential densities sufficient to meet its housing needs for a variety of household sizes, with higher densities being focused in the vicinity of major employment centers and best transit service.
4. Ensure efficient use of remaining land available for residential development and redevelopment by requiring that new development meet the density minimums, as well as maximums, of applicable zone and plan designations.

PROGRAMS

1. Development Monitoring System

As part of the City's Development Review Process, a project tracking system has been created which enables the City to track the status of any development permit at any point in the permit process and, as a by-product, also enables the City to adjust its community capacity estimates to take into account new units coming on line and vacant land removed from the site inventory. This system should continue to be expanded and refined.

2. Identification of Locations for Urban Villages and Mixed-Use Developments

Since the basic land use pattern in most parts of San Diego has now been established and little vacant land remains in the City, there will be reduced need for comprehensive updates to community plans and more attention to finer scale redevelopment. Future modifications to community plans will be focused on creating more pedestrian- and transit-oriented mixed-use environments in specific locations. It is expected that over the five years of this Housing Element cycle a number of locations will be identified for mixed-use development throughout the City. The larger ones will be designated as urban villages. These are the areas where opportunities for new housing construction will be concentrated in the future. In some instances it will be necessary to adjust densities and land uses in and near the villages and other locations designated for mixed-use development. These policies will be described in more detail in the Land Use Element.

3. Enforcing Adopted Density Ranges in Community Plans

A policy has been adopted by the Planning Department to require applicants for discretionary development approvals to build within the density ranges specified in applicable community plans and not to allow densities below the density range minimum unless site specific topographic or other constraints preclude this. In addition, policies adopted by the Planning and Development Services Departments and the Housing Commission require a Housing Impact Statement to be included in all reports to the Planning Commission, Housing Commission and City Council, that explains how a proposed project compares to the density ranges in applicable plans and zones.

**IMPLEMENTATION CHART
PROVISION OF AN ADEQUATE SITE INVENTORY**

| Program | Policy | 5-Year Target | Responsible Agency | Timing | Financing | Primary Beneficiary |
|---|--|--|--|---------------|--|---------------------------------------|
| Development Monitoring | Monitor residential development for remaining development capacity and ability to provide facilities and services in a timely manner | Ongoing monitoring program | Development Services Dept. and Planning Department | Ongoing | General Fund and Fees | General Public and Project Applicants |
| Urban Villages and Mixed-Use Developments | Identify locations appropriate for Urban Villages and mixed-use developments incorporating housing as well as employment and retail uses Through the community plan update process, the City shall designate land for a variety of residential densities sufficient to meet its housing needs for a variety of household sizes, with higher-densities being focused in the vicinity of transit stops and in proximity to significant concentrations of low-income job opportunities | Establish five urban villages including 3,000 housing units. | Planning Department | By 2010 | Mix of private and redevelopment funds, state and federal grants | General Public |

Goal 1: Ensure the provision of sufficient housing for all income groups to accommodate San Diego’s anticipated share of regional growth over the next Housing Element cycle, FY 2005-2010

QUANTIFIED OBJECTIVE

New Construction

Provide at least 935 additional units for moderate-income households, 1,915 additional units for low-income households and approximately 2,065 additional units of housing for very low-income households during the plan period July 1, 2005 - June 30, 2010. This objective does not include new units constructed with the assistance of Low- and Moderate-Income Redevelopment Set-Aside Funds. A separate objective under Goal 5 covers these units.

CHANGES TO QUANTIFIED OBJECTIVE FROM PREVIOUS HOUSING ELEMENT

Like the previous Housing Element, policies and programs which call for new construction have been grouped under a New Construction objective. Due to extremely high land costs in San Diego, which have escalated dramatically since the previous Housing Element, it is increasingly difficult to provide new units for low- and very low-income residents without large per unit subsidies. Despite the challenges, due to increased resources in redevelopment areas, low and very low construction goals are slightly increased from the previous Housing Element. However, in most instances in San Diego, it is more cost-efficient to acquire and rehabilitate units for low-income households than it is to build new units for this income group.

POLICIES

General

1. The City shall continue to utilize federal and state subsidies to the fullest in order to meet the needs of low-income residents.
2. The City shall promote publicly and privately sponsored programs aimed at the development of affordable housing for low-income households. Such housing should offer a range of bedroom composition proportionate to the household sizes of low-income households.
3. The City shall utilize its regulatory powers (e.g., land use, fees, etc.) to promote affordable and accessible housing.
4. The City shall ensure that the development of low-income housing meets applicable standards of health, safety and decency.
5. The City shall emphasize the provision of affordable housing in proximity to emerging low-income job opportunities in the high cost areas of San Diego.
6. The City shall support research efforts of the state and other agencies to identify and adopt new construction methods and technologies to facilitate affordable housing.

7. The City shall support research efforts of the lending industry and state and federal government agencies to identify and adopt innovative financing methods to facilitate affordable housing.
8. The Housing Commission shall maintain an informational resource of housing developments in the City which have units reserved for low-income households.
9. The City shall encourage new construction of Single Room Occupancy hotels (SROs) in helping to meet the housing needs of the elderly, students and low-income individuals.
10. In order to achieve a broader dispersal of SRO hotels, the City shall promote their development within transit-oriented developments citywide in commercially zoned districts. This policy is intended to assist in implementing the City's community balance objectives by facilitating a dispersal of affordable housing.
11. The City shall facilitate a new class of housing called a Living Unit, which offers additional amenities beyond a traditional SRO, to provide low-cost housing units smaller than a studio in multifamily and mixed-use residential zones.
12. The City, working through its lobbyists, shall seek legislative changes to make state and federal affordable housing programs more responsive to needs of low-income households.
13. The City shall foster affordable development by continuing to implement an inclusionary housing program aimed at increasing the supply of rental and for-sale units available to low- and moderate-income residents.

Elderly and People with Disabilities

14. The City shall focus its resources for elderly housing at the low-income end of the elderly population.
15. The City shall encourage housing for the elderly and people with disabilities near public transportation, shopping, medical and other essential support services and facilities.
16. The City shall support the integration of persons with disabilities into the private housing market as much as possible.
17. The City shall augment state requirements that multifamily dwellings contain accessible and adaptable features by adopting an ordinance aimed at increasing visitability to single-family dwellings and duplexes.
18. The City shall maintain an Affordable Housing Resources Guide that includes a list of projects that serve people with disabilities.

Military Housing

19. The City shall cooperate with the military and the private sector to identify opportunities for additional military family housing throughout the City such that the occupants may have the opportunity to become an integral part of those communities.
20. The City shall cooperate with the military through the community plan update process to ensure that potential future military housing sites are readily accessible to public services and facilities.

Student Housing

21. Local universities shall provide as much student housing as possible. The universities should consider the use of incentives to encourage maximum use of university housing.
22. The City shall promote SROs designed as dormitories as a resource in providing housing off-campus for those students who cannot or do not want to be housed on campus.

Mobile Home Parks and Manufactured Housing

23. Development of new mobile home parks in San Diego is no longer recommended or likely due to high land prices and the greater efficiency of providing affordable housing at higher multifamily densities.
24. The City shall encourage the use of manufactured housing as a tool to provide less expensive units in infill situations (replacement units or units on vacant lots) in established single-family neighborhoods as a means of providing housing more affordable to moderate- and middle-income households. There is an estimated 20 percent construction cost savings compared to conventional stick-built housing. Such housing shall be compatible in design with nearby market rate housing. This policy is intended to provide more affordable housing while not compromising community design standards.

Housing for Farm Workers and the Rural Homeless

25. The City shall monitor the number of farm worker employees in San Diego and the need for additional housing for farm workers. The City shall seek to provide this housing with mobile home units on City-owned land.

Housing for the Homeless

26. The City has adopted a "Comprehensive Homeless Policy" Number 000-51 effective July 12, 1995, which provides guidelines for the City's response to the homeless problem.
27. The City supports the concept of providing a continuum of housing for the homeless ranging from short-term beds to affordable low-cost permanent housing.

28. The City actively supports providers of homeless services in establishing additional short-term beds. These beds may be provided through a variety of emergency shelter and safe-haven options including temporary shelters associated with the provision of services during periods of extreme weather conditions.
29. The City shall actively support providers of homeless services in establishing additional winter seasonal shelter and entry-level beds.
30. The City encourages interagency efforts to provide services and housing to specialized subgroups with disabilities. This support focuses on provision of permanent, supported housing space and services.
31. The City encourages the dispersal of potential shelter sites throughout the community where the need is warranted.
32. The City encourages the development of resources to help “at-risk” families and individuals with temporary assistance to avoid evictions leading to the need for more short- and long-term bed requirements.
33. The City encourages affordable housing opportunities are given to those individuals and family groups that have successfully completed case managed recovery and traditional programs.

The City shall ensure that all homeless facilities comply with all applicable standards with respect to accessibility for disabled persons.

The City support projects in which individual and collaborative efforts to fund and develop existing and innovative solutions which address the need for transitional and permanent housing for individuals and families moving through the continuum of care to self sufficiency.

Preference will be given to projects which demonstrate definitive links to appropriate and progressive support services that move individuals and families through the continuum of care to self sufficiency.

34. The City will cooperate with other jurisdictions and coalitions in conducting regional, goal-oriented planning and coordination that will identify gaps in service, and seek methods to improve the responsiveness of existing homeless service systems.
35. The City will promote interagency communications, collaborations and partnerships to achieve an efficient and cost-effective delivery of services to the homeless and those at risk of becoming homeless.
36. The City Council expects other government jurisdictions to meet their statutory obligations with regard to addressing human service needs of populations who are homeless or at risk of homelessness.

37. The City will develop a method to ensure an equitable distribution of housing options and co-located support service facilities based on need, throughout the City to improve accessibility. Site selection will be focused on the needs of the neighborhood and the requirements for accessibility stated in the Comprehensive Homeless Policy.
38. The City will direct staff to work with neighborhoods, businesses, community organizations, private sector partnerships and service providers to facilitate the site selection and approval process for homeless facilities.
39. The City will develop Site Selection Guidelines and Program Design Criteria in accordance with “Fair Housing Practices” and the “Americans with Disabilities Act” to mitigate potential impacts of homelessness on the community while ensuring access to, and the continuity of the City of San Diego’s Continuum of Care.
40. The City currently permits homeless facilities through a conditional use permit process pursuant to a Residential Care Facility ordinance. Currently, pursuant to state law, the City’s Residential Care Facility Ordinance allows transitional housing and emergency shelters to be sited in residential areas of the City by right, i.e., without a conditional use permit, if there are six or fewer beds. Larger facilities may be sited by right if they comply with the underlying zoning and do not offer any services on-site to the residents. Other residential buildings may be sited by right if they comply with the underlying zoning and do not meet the definition of residential care facilities.
41. The City Council will review its Comprehensive Homeless Policy on a periodic basis and make modifications as necessary.

Workforce Housing

42. The City shall encourage school districts and other employers to set up programs to provide housing for employees that might not be able to otherwise afford living in San Diego.
47. The City shall identify City-owned properties and work with other public entities such as school districts and the state to identify other publicly-owned land that has potential to be used for affordable housing.

PROGRAMS

1. Density Bonus

The City is in the process of revising its Density Bonus regulations to conform with revised state law. In addition, the City is considering adoption of a local density bonus (On-Site Building Bonus) for projects that build required inclusionary units on-site. The City shall encourage use of the available Housing Density Bonus Programs. Based on recent trends and projects now in process, it is anticipated that approximately 375 affordable housing units will be added through FY 2010. Of these, approximately 125 will be affordable to moderate-income homebuyers, 125 units will be affordable to low-income renters and approximately 125 units will be affordable to very low-income renters.

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The density bonus program has not been economically attractive to many developers in recent years but the recent changes in state law may increase interest. It is too early to accurately gauge interest in the revised state density bonus programs.

2. Tax Credits and Tax-Exempt Bonds

The Housing Commission will promote the use of federal and state tax credits and multifamily mortgage revenue bonds to assist in the development of housing for low-income households. Based on past trends and assuming that San Diego will obtain the necessary bond and tax credit allocation from the state, the City projects that at least 300 units affordable to very low-income households will be built.

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3. Coastal Zone Program

State law provides that conversion or demolition of existing residential units occupied by low- and moderate-income households within the Coastal Zone shall only be authorized if provision has been made for the replacement of those units. The City Council Policy to implement the state law requires that such replacement units be affordable to the occupant for a minimum of five years. Pursuant to these requirements, it is anticipated that approximately 30 units of replacement housing will be provided which would be affordable to low-income households and ten units will be provided that will be affordable to moderate-income households. This estimate is based on in-lieu fees currently available for investment.

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4. Single Room Occupancy Hotel Units and Living Units

The City shall continue to support development of new Single Room Occupancy (SRO) hotels by providing incentives that simplify the permitting process, expanding the zones where these units are allowed, and offering financial incentives such as water/sewer impact fee discounts and reduced parking requirements for rent restricted units. It is anticipated that financial assistance will be available to assist in developing units affordable to low- and very low-income individuals.

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In 2000, the City established a new class of housing called Living Units which are allowed in downtown residential and mixed-use areas. These units are smaller than most studio apartments but have more amenities than traditional SRO hotel rooms. Since 1999, approximately 600 SRO units and Living Units have been completed or are under construction. Between 1985 and 1999, approximately 2,400 new SRO units were developed and another 400 units were rehabilitated. Most of these new units are concentrated in the downtown area. A target of constructing 400 additional new SRO and Living Units by 2010 has been established.

The Zoning Code Update included creation of a new mixed-use zone for use in areas near major transit nodes where SROs can be located. In order to maximize retention of existing SROs, achieve a broader dispersal of SROs beyond downtown and to help implement community balance objectives, the City is currently preparing comprehensive revisions to the SRO ordinance. A variety of incentives are currently being examined for inclusion in the new ordinance to encourage the construction of new SROs and Living Units.

5. Sections 202 and 811

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The Section 202 and 811 programs allow non-profit corporations to apply for direct loans from HUD to finance the construction or acquisition and rehabilitation of housing for the very-low income elderly or hindered/disabled. Rents are restricted to 30 percent of gross income. The City anticipates that approximately 50 units will be constructed through these programs during this Housing Element cycle.

6. Military Housing

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The military proposes to develop approximately 1,600 new housing units for military families by the end of FY 2010. These will be located at Miramar MCAS, immediately north of the Tierrasanta Community. Planning for this project is ongoing with construction expected in 2008-2010. Replacement of existing military housing units with new units at Cabrillo Heights in Serra Mesa and Gateway in Point Loma is underway but will not result in a net increase in units.

It is anticipated that most military family housing will continue to be provided by the private sector, with financial incentives from the military. Military housing is available to enlisted personnel with a rank of E-1 and above. Families of enlisted personnel pay no rent for military housing; rather, they receive the housing in-lieu of their military housing allowance. Based on current occupancies by rank, it is projected that approximately 40 percent of the units would be affordable to very low-income households and 60 percent would be affordable to low-income households.

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7. Student Housing

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Current plans on the part of local universities call for adding approximately 5,000 new beds by the end of FY 2010 to serve students. This number includes approximately 2,500 beds projected by the University of California at San Diego, approximately 1,600 off-campus beds planned by San Diego State University through their College Area Redevelopment Plan, 500 beds at the University of San Diego and 400 beds at Alliant International University to replace beds lost when the San Diego Unified School District took a portion of their campus by eminent domain. Pt. Loma Nazarene is built out and plans no more student housing.

8. Mobile Home Parks and Manufactured Housing

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Mobile home parks have in the past provided affordable housing units both for rent and for sale. In San Diego, mobile home parks are regulated through the Mobile Home Park Overlay Zone. High land costs and lack of vacant land now make it infeasible to construct new mobile home parks in San Diego and pressure to convert existing mobile home parks to more intensive uses has increased in recent years. Remaining residential land can house more people and provide more affordable units if developed with multifamily housing. However, it may be possible for mobile home parks to be reorganized as nonprofit community land trusts or limited equity cooperatives to enable

mobile home park residents to purchase their own spaces, thereby converting to tenant ownership. Such efforts could enable resident acquisition of a minimum of 200 mobile home park spaces, many of which would be affordable to low- and moderate-income households.

Manufactured housing also has limited benefit in a high land cost urban environment like San Diego. The primary cost and efficiency advantages of manufactured housing versus on-site construction are for single-family units which are increasingly difficult to provide at a price affordable to moderate- and even middle-income residents. However, manufactured units can offer up to a 20 percent construction savings over conventional stick-built units and are, therefore, encouraged for replacement and infill units in established single-family neighborhoods.

9. Farm Worker Housing

Intensive agriculture (primarily on leased lands) currently exists in several communities in the extreme northern and southern portions of the City. These include Otay Mesa, Tijuana River Valley, San Pasqual Valley and Pacific Highlands Ranch. The San Pasqual Valley Plan calls for retaining agriculture as a long term use in the San Pasqual Valley. Elsewhere, community plans call for agriculture to be phased out and replaced with urban uses and restored natural open space. This conversion will occur over the next 5-10 years.

36 units of City-owned farm worker housing occupied by an estimated 123 farm workers (including family members) is currently being provided in San Pasqual Valley. However, a significant number of farm workers are unhoused migrants living in canyons in the northern part of the City. These migrants include day laborers as well as farm workers. Some do farm work during part of the year and day labor at other times. Approximately 200 unhoused farm workers lived in San Diego in 2004 with the number rising to more than 500 during the peak growing season. This number has decreased from an estimated 1,000 in previous years as farming is gradually being phased out in most areas of San Diego.

The City is currently seeking funding from the State's Joe Serna Jr. Farm Worker Housing Grant Program to provide up to 20 mobile home housing units for 50+ farm workers on one or more additional City-owned sites in the North City area. Provision of these units is expected to be needed for the next five to ten years or until leased fields are gradually replaced by development. If necessary, the units can be relocated to other City property as needed.

The City will continue to annually monitor the number and location of permanent and seasonal farm worker employees in San Diego and their housing needs. If the annual surveys show that additional farm worker housing is needed, the City will seek to provide additional mobile homes on City-owned land. The City will also work with leaseholders in San Pasqual Valley to determine whether additional farm worker housing units are needed in that area.

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The City has incorporated provisions of the State Employee Housing Act into its zoning code. These provisions specify that employee housing for six or fewer employees shall be processed as a single-family use and that employee housing for 12 or fewer employees shall be processed as an agricultural use.

10. Housing for the Homeless

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The City's program for housing for the homeless has three components: short-term shelter facilities, long-term shelter facilities and permanent supportive housing. Short-term shelter facilities are subcategorized into three types: seasonal spaces (available only during the winter months); vouchers (to pay for homeless persons to stay in commercial hotels/motels); and ongoing 24-hour shelters (available year round).

As noted in **Tables 2 and 3**, in fiscal years 2003 and 2004, service providers and the City provided 36,000 shelter bed-nights. It is anticipated, based on current funding levels, that 40,500 bed-nights will be provided annually through the next five-year Housing Element cycle.

Vouchers can serve an important role with respect to providing shelter for those homeless individuals and especially families who cannot be accommodated in a shelter for various reasons such as short-term illness, family size or other special circumstances. The City joined the county of San Diego and other local jurisdictions in a regional voucher program. It is expected that this model will be used in future years in serving families and others who cannot be accommodated at existing or temporary shelter sites.

Based on consultations with area providers, the following three goals have been set: a goal for short-term bed spaces is set at 325 beds or an increase of 200 above the 2004 level; a goal for long-term bed spaces is set at 2,040 or an increase of 300 above the 2004 level; a goal for special needs beds is set at 1,200 beds or an increase of 700 above the 2004 level.

There has been a decrease in the emphasis on short-term emergency facilities which offer minimal services. Instead, there is an increasing emphasis on programs offering comprehensive, coordinated services for a longer term. This emphasis has occurred at both the local level and federal level with respect to policy. The emphasis on longer-term beds is predicated on the belief that homeless shelter guests receiving supportive services will achieve greater self-sufficiency and have a higher potential for successful transition to independent living. HUD's funding priorities have reflected this emphasis.

However, because of the emphasis on longer-term beds, as **Table 3** shows, the number of short-term beds has decreased significantly. The need for short-term beds is expected to increase dramatically in the next few years with the full implementation of the "Welfare to Work" program. Local homeless providers also anticipate that HUD's priorities may shift more toward the short-term end of the spectrum in the near future. Consequently, the City's quantified objective reflects this greater emphasis on short-term beds.

**TABLE 2
SEASONAL WEATHER SHELTER BEDS**

| Service | 2003 Actual per RTFH* | 2010 Goal | Net Change |
|----------------|------------------------------|-------------------|-------------------|
| Seasonal | 36,000 bed-nights | 40,500 bed-nights | 4,500 bed-nights |

* Regional Task Force on the Homeless

Seasonal Shelter: A program providing shelter and support services during a limited portion of late fall and winter months.

Source: City of San Diego, Office of the Homeless Coordinator

**TABLE 3
PERMANENT BED CAPACITY**

| Service | 2004 Actual per RTFH* | 2010 Goal | Net Change 2004 - 2010 |
|------------------------|------------------------------|------------------|-----------------------------------|
| Short-term Beds** | 125 | 325 | 200 |
| Long-term Beds*** | 1,740 | 2,040 | 300 |
| Special Needs Beds**** | 502 | 1,202 | 700 |
| Total | 2,367 | 3,567 | 1,200 |

* Regional Task Force on the Homeless

** Short-term Beds: Basic, temporary overnight sleeping accommodations with minimal screening and support services

*** Long-term Beds: Temporary housing and support services to return people to independent living as soon as possible and generally not longer than 24 months

**** Special Needs Beds: Temporary housing for persons with disabilities including individuals who require special needs due to mental and physical disabilities

Source: City of San Diego, Office of the Homeless Coordinator

The City and the not-for-profit homeless provider community have had a long-term relationship in providing shelter/housing for the homeless. It is the provider of homeless services that the City consulted with in developing realistic and achievable goals to meet the unmet need of sheltering the homeless. The targets presented in **Tables 2 and 3** are based on past experience, projected resources, and changing funding policies with respect to HUD's funding priorities among short- and long-term beds. The targets are aggressive in that they represent an increase in the number of beds to be provided to reduce the gap in unmet need. But they are also achievable if the City and the provider community work in concert with the business and faith communities to seek a fair share of federal funding for San Diego and to continue to encourage private and corporate giving.

The City's development of a comprehensive homeless plan has occurred concurrently with several other systemic planning efforts. The City's plan shares strategy with other efforts such as the federally mandated Consolidated Plan of HUD, and the Regional Task Force on the Homeless. Parallel planning efforts should maximize the impact of resources on the homeless problem.

Although short- and long-term housing facilities will continue to be allowed wherever residential development is permitted, **Map 1** on page 34 and **Map 2** on page 35 depict areas where the City encourages such uses to be located. **Map 1** depicts industrial and commercial zones as being suitable for emergency shelters while **Map 2** depicts higher-density and multifamily zones as being suitable for transitional housing. These maps show specific areas throughout the City which provide a significant number of adequate

sites to meet the City's quantified objectives for emergency shelters and transitional housing.

In 1998 the City amended its processing and development regulations for emergency shelters and transitional housing to facilitate more expeditious processing and remove regulatory impediments. The following changes were made at that time:

- a) The permit approval process for emergency shelter and transitional housing conditional use permit applications was modified to allow them to proceed directly to the City Council with no appeals from a lower decision-making hearing body. Additionally, the City removed the requirement for a recommendation from the Planning Commission in order to further expedite the process.
- b) The requirement for a one-quarter mile separation between emergency shelters or transitional housing and other similar facilities was removed.
- c) The City has published a list of potential sites for emergency shelters and transitional housing which is available to the public in the office of the City Clerk. This list will be periodically updated.

In response to the need for short-term emergency beds, the City in FY 2004 had a dispersed 24-hour seasonal shelter program which served approximately 1,275 people with 400 beds and was targeted to specific homeless populations. One site was specifically for homeless single men and women; another was for homeless veterans; and a third site was designated for homeless women with children. This model is to be used again throughout the next five-year period. Efforts are underway to increase available beds to 450.

HUD's Continuum of Care Homeless Assistance Program encourages the addressing of homeless needs in a comprehensive and coordinated manner. Consequently, the City has coordinated the annual planning process for identifying gaps in service pursuant to the Continuum of Care concept. This coordination has resulted in a well-integrated, seamless provision of services to the homeless, as outlined in the City's Supportive Housing Program. Each provider has a role to play and expertise and resources to bring to bear.

The Continuum of Care Program has resulted in approximately \$15 million per year in federal, state and local funds being dispersed to local providers and the City for homeless services. The program has become the principal funding vehicle for transitional housing and case management assistance and has resulted in extensive collaboration among the provider community in order to maximize service delivery.

11. Study of Space and Parking Standards for Emergency Shelters

The Planning and Development Services Departments will reexamine the space standards and parking requirements currently required for emergency shelters to ensure that they are reasonable and specifically relate to the needs of emergency shelters.

12. Support for Regional Task Force on the Homeless

In conjunction with the county of San Diego and other local jurisdictions in the region, the City provides funding for the Regional Task Force on the Homeless. The RTFH serves as a central repository of information on homeless needs and assistance, and promotes a coordinated approach to planning for homeless services throughout the region. Working through the RTFH, the City will work to identify gaps in services and promote interagency collaborations and partnerships to achieve the most efficient and cost-effective delivery of services. The City will also encourage other local jurisdictions that have homeless people or people at risk of being homeless to address their specific human service needs.

13. Listing of Affordable Housing Units

The Housing Commission publishes and maintains a comprehensive listing of housing developments in the City which have units reserved for low-income households.

14. Support for Research and Legislation for Affordable Housing

Through the efforts of its lobbyists, the Department of Intergovernmental Relations and the Housing Commission, the City will support research by the state and other agencies to identify and adopt new construction methods and technologies to provide affordable housing, and research by the lending industry to adopt innovative financing methods to facilitate affordable housing. Additionally, the City shall seek legislative changes at the state and federal levels to make affordable housing programs more responsive to the needs of low-income households.

15. Pursuit of State and Federal Funding for Affordable Housing

Through the efforts of its lobbyists, the Department of Intergovernmental Relations and the Housing Commission, the City will monitor the status of all existing and potential state and federal funding resources for affordable housing and apply for all competitive state and federal housing monies which would contribute toward meeting San Diego's affordable housing goals.

16. Inclusionary Housing Programs

The City has two inclusionary housing programs. Since 1992, a requirement has been in effect in portions of the North City that are now designated for urban uses. These areas were, until the 1990s, designated as future urbanizing areas. In these areas 20 percent of residential units constructed must be affordable to families earning no more than 65 percent of AMI. Projects with more than ten units must build these affordable units on-site or near the site of the market rate units. Smaller projects may pay an in-lieu fee. This inclusionary program is expected to result in 500 for-sale units and 1,025 rental units for very low-, low- and moderate-income families by 2010.

In 2003, San Diego adopted a citywide Inclusionary Housing Program that is applicable in all portions of the City not included in the North City program discussed above. Developers are required to provide at least ten percent of the total dwelling units affordable to rental households earning no more than 65 percent of Area Median Income (AMI) or homebuyers earning no more than 100 percent of AMI. Developers may pay an in-lieu fee rather than build units. The in-lieu fees will be used to build new affordable housing units, to acquire and rehabilitate multifamily units or for first time homebuyer assistance. Housing that will be priced at a level affordable to households earning less than 150 percent of AMI is exempt from these requirements. It is estimated that this program will provide up to 1,000 affordable housing units by 2010. Each year the City reexamines this program and will continue to do so. Revisions to the program such as increasing the in lieu fee or limiting use of the in lieu fee will be reassessed each year to assure that the intent of the program to create affordable housing units is being met.

The in-lieu fee was initially set at a low level because the inclusionary requirement was phased in gradually. By July 2005, the fee was \$2.50 per square foot. In 2006 and thereafter the fee will be set each year using a formula intended to set the fee at a level corresponding more closely to the cost of constructing an affordable unit on site.

Inclusionary rental units are required to remain affordable for a period of 55 years. Inclusionary for-sale units are restricted in a manner that allows the City to recapture, at the time of resale, the initial subsidy provided to make the unit affordable to families who earn 100 percent or less of the area median income. There is also a 15-year sliding scale equity sharing provision. If the initial buyer resides in the unit for one year they would receive only 15 percent of the equity, with the City receiving the remaining 85 percent. The proportion of equity going to the buyer increases gradually for 15 years, at which time the owner would be eligible to receive 100 percent of the equity.

Incentives are offered to offset the cost to developers of providing inclusionary housing. These include expedited permit processing, reduced sewer and water connection fees, multifamily bond financing for certain projects and density bonus. In addition, the City is considering an on-site density bonus for all projects that meet the inclusionary requirement on site.

17. Low-Interest Loans

The Housing Commission will provide low-interest loans for the development of affordable rental housing targeted to extremely low-, very low- and low-income households including families, seniors and persons with special needs. Assuming that San Diego will continue to receive Home and Housing Trust Fund revenues, approximately 750 affordable units will be created by 2010.

18. Universal Design

The City has a goal that 70 percent of newly constructed housing units have universal design features intended to increase visitability and accessibility for people with disabilities. This includes all units in multifamily projects with 4 or more units. In

addition, the City is currently working with the disabled community and the building industry to establish a new ordinance addressing visitability and accessibility in new single-family and duplex dwellings. This ordinance would augment state regulations that mandate universal design features including fully accessible common facilities in new multifamily housing.

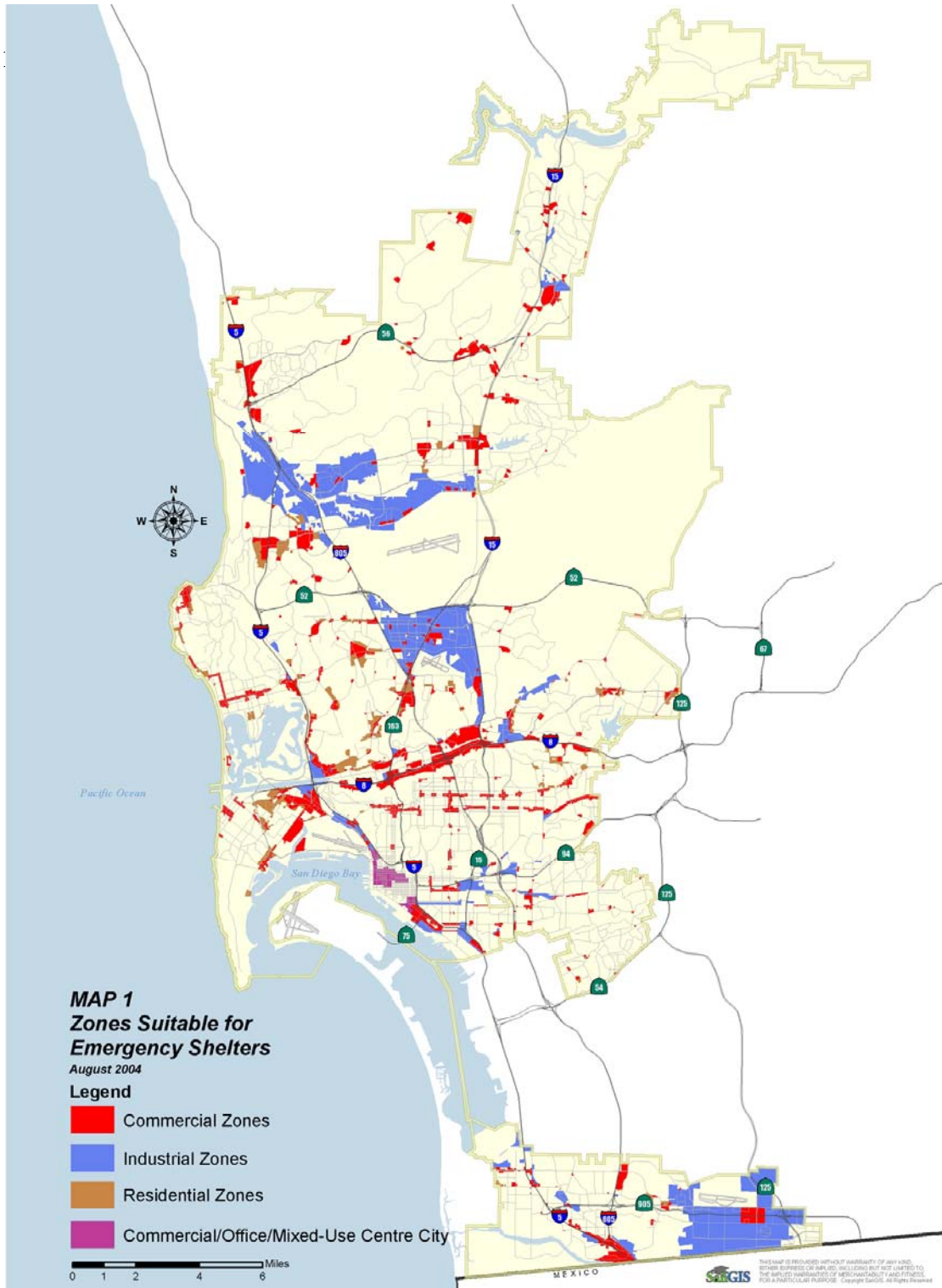
19. City-Owned Land for Housing

The City will continue an ongoing effort to identify City-owned parcels that have potential to be used for affordable workforce housing. The Council will be periodically informed of available properties and their suitability and feasibility for housing. A goal of creating affordable housing on a minimum of two City-owned sites during the 2005-2010 housing cycle has been established.

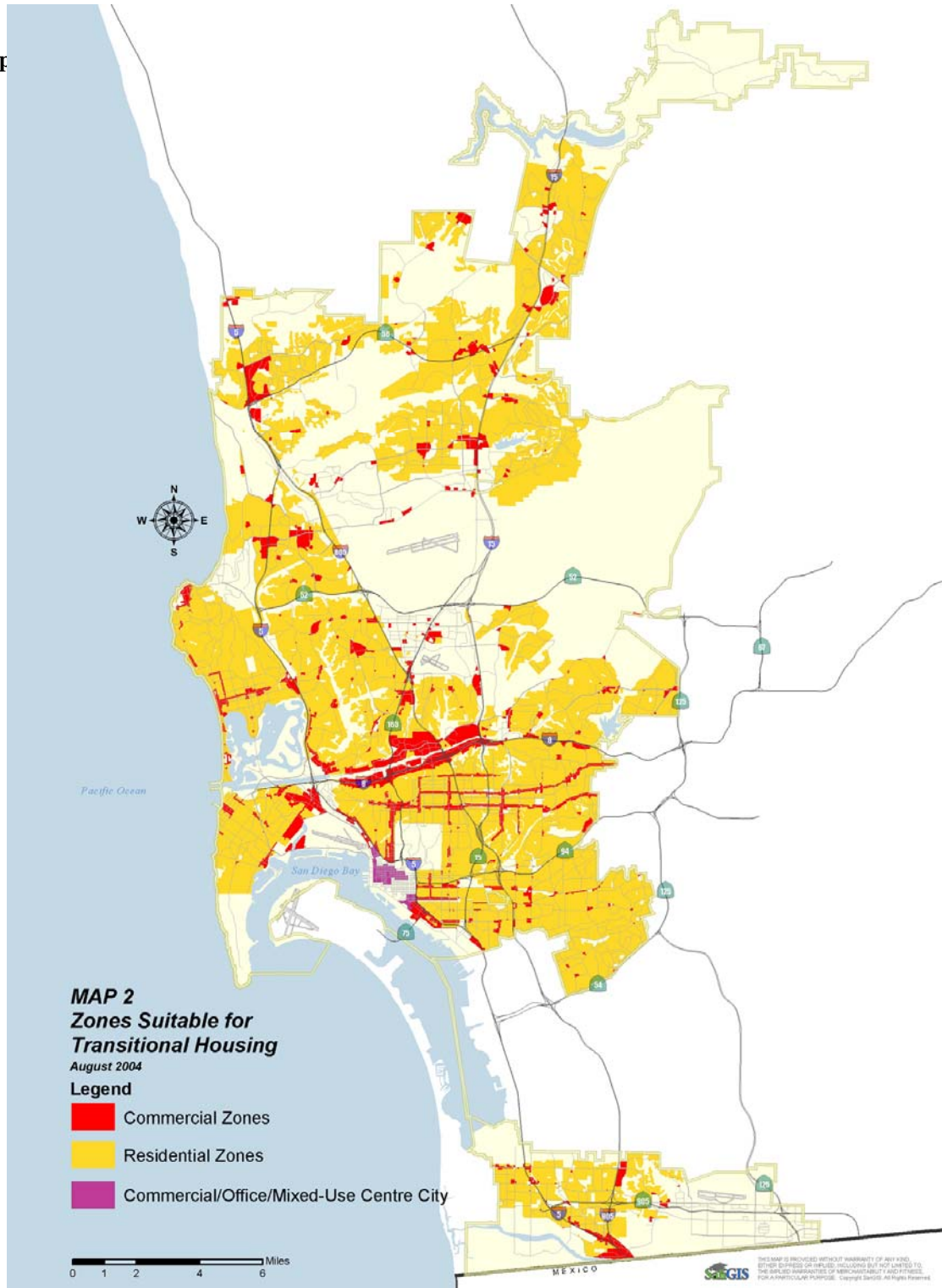
20. Employer-Assisted Housing

The City will explore methods to partner with and assist area employers who are interested in providing affordable housing for their employees. An area of particular focus will be employer-developed housing opportunities.

Map 1.



Map



**IMPLEMENTATION CHART
NEW CONSTRUCTION**

| Program | Policy | 5-Year Target | Responsible Agency | Timing | Financing | Primary Beneficiary |
|-----------------------|--|----------------------|--|---------------|---|--|
| Density Bonus | Promote publicly and privately sponsored programs aimed at the development of affordable housing for low-income households | Units 375 | Housing Commission Private Developers Development Services Dept. | 75/year | Conventional | Low-, very low- and moderate-income households |
| Tax Credits and Bonds | See Above Policy | Units 500 | Housing Commission Not-for-Profit-Corps. Private Developers | 100/year | Tax Credits Tax-Exempt Bonds | Low- and very low-income households |
| Low-Interest Loans | See Above Policy | Units 750 | Housing Commission | 150/year | Home funds Local and State Housing Trust funds | |
| Coastal Zone Program | Continue to utilize federal and state subsidies to the fullest to meet the needs of low-income residents | Units 30 | Private Developers | 6/year | Conventional | Low-income households |
| SROs | Simplify the construction project approval process for SROs and Living Units | Units 400 | Redevelopment Agency Housing Commission Planning Commission | 80/year | Redevelopment Agency Housing Commission Tax Credits Tax-Exempt Bonds Conventional | Low-income persons Elderly Low-income Students Military Personnel |
| | Expand permitted zones for new class of housing called a "living unit" which offers more amenities than an SRO, to provide affordable, entry-level housing in mixed-use and multifamily residential zones citywide | | | | | |
| | Provide incentives to builders such as discounts on water/sewer impact fees and reduced parking requirements for projects that provide affordable, rent-restricted units | | | | | |

**IMPLEMENTATION CHART
NEW CONSTRUCTION**

| Program | Policy | 5-Year Target | Responsible Agency | Timing | Financing | Primary Beneficiary |
|----------------------------|---|--|---|--------------------|----------------------------|--|
| Section 202 Section 811 | Focus resources for elderly housing at the lower end of the income spectrum. Support integration of persons with disabilities into private housing market to extent possible | Units 50 | Not-for Profit Corps. Housing Commission | 10/year average | HUD | Low-income elderly and disabled |
| Inclusionary Housing | The City shall promote provision of affordable housing throughout all areas of the City and near all major employment centers. | Units 2,525 (includes units in former “future urbanizing area”. | Housing Commission Private Developers Development Services Dept. | 505/year | mix | Very low-, low- and moderate- income households |
| | The City shall annually review the results of the inclusionary program to adjust the in lieu fee requirement and consider restricting the in lieu option if necessary to assure construction of affordable units | | | Annual review | | |
| Military | The City shall cooperate with the military and the private sector to identify opportunities for additional military family housing throughout the City such that the occupants have the opportunity to become an integral part of communities | Units 1,600 | Military Private Sector | FY 2005-10 | Military Private Sector | Military families |
| | The City shall cooperate with the military through the community plan update process to ensure future sites are readily accessible to public services and facilities | | | | | |

**IMPLEMENTATION CHART
NEW CONSTRUCTION**

| Program | Policy | 5-Year Target | Responsible Agency | Timing | Financing | Primary Beneficiary |
|-----------------------------|---|--|--|--------------------------------------|---|--------------------------------------|
| Student Housing | Local universities shall provide or partner with others to provide as much student housing as possible on and adjacent to campuses. The universities should consider the use of incentives to encourage maximum use of university housing | Beds 5,000 | UCSD Pt. Loma Naz. SDSU USD Alliant International State Private | FY 2005-10 | UCSD Pt. Loma Naz. SDSU USD Alliant International State Private | Students |
| | The City shall promote SROs designed as dormitories as a resource in providing housing off-campus for those students who cannot or do not want to be housed on campus | | | | | |
| Manufactured Housing | The City shall encourage the use of manufactured housing as one means of providing housing affordable to moderate-income households on single-family infill sites. Such housing shall be comparable in design with nearby market rate housing | 200 units | Private Sector | Ongoing | Average of 40 units per year | Moderate- and middle-income families |
| Farm Worker Housing | The City shall seek to provide 20 additional mobile home units on City-owned land | 20 additional mobile home units for permanent and seasonal farm workers and day laborers | Farmers and Growers Housing Commission Real Estate Assets Dept. Community and Economic Development Dept. | 10 units by 2007 20 units by 2010 | Conventional SB/HOME Housing Trust Fund SERNA funds HCD funding | Farm workers Day laborers |
| Farm Worker Housing (cont.) | The City will annually monitor the number of farm workers and their housing needs and seek to adjust the amount of housing units provided accordingly. | Annual surveys | Real Estate Assets Dept. Housing Commission | Ongoing | | Farm workers Day laborers |

IMPLEMENTATION CHART
NEW CONSTRUCTION

| Program | Policy | 5-Year Target | Responsible Agency | Timing | Financing | Primary Beneficiary |
|----------------------------------|--|--|---|---------------|---|--|
| | The City will work with leaseholders in the San Pasqual Valley to determine whether additional farm worker housing is needed and if so where it should be located. | | Real Estate Assets Dept. Housing Commission | By 2008 | | Farm workers |
| Housing for the Homeless | Supports the concept of providing a continuum of housing for the homeless ranging from short-term beds to affordable low-cost permanent housing. Support providers of homeless services in establishing additional short-term beds. These beds may be provided through a variety of emergency shelter and safe haven options including temporary shelters associated with the provision of services during periods of extreme weather conditions | Full spectrum of services Increase of 200 short-term beds | Homeless Providers City Homeless Coordinator | By 2010 | McKinney Super NOFA HOME ESG Housing Trust Fund CDBG Regional Hotel/Motel Vouchers | Spectrum of homeless throughout the City |
| | Give primary emphasis to the provision of homeless facilities in the development of service enhanced longer-term beds | Increase of 300 permanent supportive housing units | Homeless Providers | By 2010 | Same as above | Homeless single adults, families, youth, special needs |
| | Retain support for winter seasonal shelter and entry-level beds | Annual bed-night capacity of 40,500 bed-nights | Homeless Providers Housing Commission | Ongoing | McKinney Housing Commission Regional Hotel/Motel Vouchers Port District | Priority for single women, with children, elderly disabled |
| Housing for the Homeless (cont.) | Provide permanent supportive housing opportunities for special needs populations including those with mental illness, disabilities and substance abuse problems | Increase of 200 units | Homeless Providers Housing Commission | By 2010 | SAMSA/HHSA HUD redevelopment bond funds tax credits SDHA funds Section 8 | Individuals with mental illness, disabilities and substance abuse problems |

IMPLEMENTATION CHART
NEW CONSTRUCTION

| Program | Policy | 5-Year Target | Responsible Agency | Timing | Financing | Primary Beneficiary |
|--|--|--|---|---------------|---|--|
| Reexamine space and parking standards for emergency shelters | The City shall continue to regulate emergency shelters and transitional housing through a conditional use permit process. In accordance with the 4 th District Court of Appeals decision in the case "Hoffmaster v. City of San Diego," the City shall continue to implement measures it has adopted to accelerate the Permit approval process for these facilities and not apply a separation requirement. Additionally, in accordance with the Court's decision, the City shall publish a listing of potential sites for emergency shelter and transitional housing and maintain on file at the City Clerk's office | Report to Planning Comm & City Council | Planning Dept City Homeless Coordinator | Ongoing | General Fund | Homeless Providers |
| Housing for the Homeless | Encourage interagency efforts to provide services and housing to specialized homeless groups such as the mentally ill and chronically disabled. Support will focus on permanent supported housing space | Increase of 204 Special Needs Beds | City/County w/ private nonprofits | FY 2010 | HOPWA Sect. 8 set McKinney HOME Hsg. Trust Fd. CDBG Redevelopment Set-Aside | Youths, families, disabled and other special needs populations |
| Regional Task Force on Homeless | The City Manager will cooperate with other jurisdictions and coalitions in conducting regional goal-oriented planning and coordination that will identify gaps in service and seek methods to improve the responsiveness of existing homeless service systems | Annual funding | City of San Diego RTFH | Ongoing | General Fund | Spectrum of homeless throughout region |

**IMPLEMENTATION CHART
NEW CONSTRUCTION**

| Program | Policy | 5-Year Target | Responsible Agency | Timing | Financing | Primary Beneficiary |
|---|--|----------------------|---|-------------------|------------------------------|--|
| | The City Manager will promote interagency communications, collaborations and partnerships to achieve an efficient and cost-effective delivery of services to the homeless and those at risk of becoming homeless | | | | | |
| | The City Council expects other government jurisdictions to meet their statutory obligations with regard to addressing human service needs of populations who are homeless or at risk of homelessness | | | | | |
| Listing of Affordable Housing Units | The Housing Commission shall maintain a comprehensive listing of housing developments in the City which have units reserved for low-income households | Quarterly listing | Housing Commission | Updated quarterly | Housing Comm Funds | Very low-, low- and moderate-income households |
| Support for Research Legislation for Affordable Housing | Through its lobbyists, the Department of Intergovernmental Relations and the Housing Commission, the City will support research by the state and other agencies to identify and adopt new construction methods and technologies to provide affordable housing, and research by the lending industry to adopt innovative financing methods to facilitate affordable housing | Ongoing | Legislative Svcs. Housing Commission Planning Dept. | Ongoing | General Fund Housing Comm | Very low- and low-income households |
| Pursuit of state and federal funding | Additionally, the City shall seek legislative changes at the state and federal levels to make affordable housing programs more responsive to the needs of low-income households | | | | | |

IMPLEMENTATION CHART
NEW CONSTRUCTION

| Program | Policy | 5-Year Target | Responsible Agency | Timing | Financing | Primary Beneficiary |
|--|--|---|--|---------------|---|--|
| Encourage new construction to incorporate Universal Design features | The City anticipates that a majority of new residential units will incorporate universal design features including fully accessible common facilities in multifamily dwellings | 70% of newly constructed units will incorporate universal design features | Planning Dept. Development Services Dept. | Ongoing | Private sector | Disabled, handicapped and elderly citizens |
| Encourage visitability in single-family and duplex homes | Prepare an ordinance to address visitability in new single-family and duplex dwellings | Adoption of ordinance | Development Services Dept. Planning Dept. | 2006 | General Fund Development Services Enterprise Fund | Disabled, handicapped and elderly citizens |
| Identify City-owned property suitable for affordable housing | Determine the suitability and feasibility of utilizing City-owned properties for affordable housing | Create housing on two or more City-owned sites by 2010 | Planning Dept. Real Estate Assets Dept. Housing Commission | Ongoing | Undetermined | Low and moderate income citizens |
| Encourage employer-assisted and employer-developed housing opportunities | Partner with area employers to develop employer-assisted housing programs and employer-developed housing opportunities | Employer-assisted housing projects by 2010 | Housing Commission | Ongoing | Employer financed | Employees that participate in employer-assisted housing. |

Goal 1: Ensure the provision of sufficient housing for all income groups to accommodate San Diego's anticipated share of regional growth over the next Housing Element cycle, FY 2005-2010



Goal 2

Maintain at a high level and upgrade, where necessary, the quality, safety, and livability of San Diego's housing stock, with emphasis on preservation of San Diego's affordable housing stock

GOAL 2

MAINTAIN AT A HIGH LEVEL AND UPGRADE, WHERE NECESSARY, THE QUALITY, SAFETY AND LIVABILITY OF SAN DIEGO'S HOUSING STOCK, WITH EMPHASIS ON PRESERVATION OF SAN DIEGO'S AFFORDABLE HOUSING STOCK

QUANTIFIED OBJECTIVE

Maintenance and Conservation

Develop and maintain programs that identify substandard housing and provide a wide spectrum of options to correct housing code violations.

CHANGES TO QUANTIFIED OBJECTIVE FROM PREVIOUS HOUSING ELEMENT

This Housing Element retains the same maintenance and conservation objective from the previous Element.

POLICIES

1. The City shall encourage the maintenance and repair of existing renter- and owner-occupied housing to prevent deterioration by promoting educational and training programs on basic housing maintenance procedures and techniques.
2. The City shall promote the replacement of substandard housing units which cannot feasibly be rehabilitated.
3. The City shall support neighborhood cleanup programs.
4. The City shall coordinate code enforcement efforts with housing rehabilitation programs.
5. The City shall implement inspection programs for unique housing types such as farm worker housing and mobile homes to assure compliance with minimum health and safety standards.

PROGRAMS

1. Housing Code Enforcement

The City shall continue to support and, where possible, expand its code enforcement activities. Such activities shall emphasize amelioration of defects which threaten the basic health and safety of the occupants and community.

2. Farm Worker Housing Inspection Program

The Real Estate Assets Department and Neighborhood Code Compliance Department shall jointly undertake an annual inspection program of the 36 City-owned farm worker houses in San Pasqual Valley to ensure that they meet minimum health and safety standards. Such inspection program costs shall be recoverable. Buildings which are beyond economical repair or a hazard to the public health, safety and welfare shall be repaired or replaced. If additional City-owned farm worker housing is provided, as intended, the inspection program will be expanded to cover the new units.

3. Mobile Home Inspection Program

Continue to implement a five-year inspection program in which all mobile home parks will be inspected for compliance with minimum health and safety standards. Approximately 1,300 mobile home park spaces shall be inspected annually.

4. Housing Maintenance Educational and Training Programs

Self-help training workshops and classes are offered by a variety of organizations and institutions including the San Diego Apartment Association, San Diego Board of Realtors, community colleges and other entities. The City will encourage new and existing property owners to participate in the programs through a variety of outreach efforts. The Housing Commission has a Universal Design Awareness program to provide all affordable housing developers with guidelines for incorporating universal design features. Attendance is mandatory for developers seeking rental housing financial assistance. The intent is to increase use of universal design features in affordable housing projects.

5. Code Enforcement/Rehabilitation Coordination

The Neighborhood Code Compliance Department shall refer owners of multifamily housing with multiple code violations to the Housing Commission for possible amelioration with the assistance of Housing Commission rehabilitation programs. The Neighborhood Code Compliance Department will also refer owners of multifamily housing with multiple violations in designated redevelopment areas to the appropriate redevelopment entity for possible correction with the assistance of redevelopment funds.

6. Neighborhood Cleanup Programs

The Housing and Code Enforcement Division of the Neighborhood Code Compliance Department and the Environmental Services Department will cooperate with neighborhood and trade associations in neighborhood cleanup campaigns. Such campaigns will be coordinated with systematic code enforcement and rehabilitation programs.

**IMPLEMENTATION CHART
MAINTENANCE AND CONSERVATION**

| Program | Policy | 5-Year Target | Responsible Agency | Timing | Financing | Primary Beneficiary |
|--|---|---|--|---------------------------------------|----------------------------|---|
| Housing Code Enforcement | The City shall continue to implement a housing code enforcement program on a complaint basis. Such a program shall emphasize amelioration of defects which threaten the basic health and safety of the occupants and community The City shall promote the replacement of substandard housing units which cannot feasibly be rehabilitated The City shall coordinate code enforcement efforts with housing rehabilitation programs | Inspect approx. 25,000 units | Neighborhood Code Compliance Division | 5,000 units annually | General Fund | Occupants of older, multifamily rental housing |
| Farm Workers Housing Inspection Program | The City shall implement inspection programs for unique housing types such as farm worker housing, mobile homes, and SROs to assure compliance with minimum health and safety standards | Inspect all City-owned units annually | Neighborhood Code Compliance Division | Inspect all City-owned units annually | Enterprise Fund | Permanent employees of farms and growers and their families |
| Mobile Home Inspection Program | Same as Above Policy | Inspect all mobile home spaces every 5 years | Neighborhood Code Compliance Division | Inspect 1,300 mobile homes | Mobile Home Inspection Fee | Occupants of mobile home parks |
| Housing Maintenance Education Training Program | The City shall encourage the maintenance and repair of existing renter and owner-occupied housing to prevent deterioration by promoting educational and training programs on basic housing maintenance procedures and techniques | At least 2 programs annually | SD Apt. Assoc. SD Board of Realtors Community Colleges | At least two programs annually | Private | Owners of rental and owner-occupied housing |
| Universal Design Awareness Program | The City shall require affordable housing developers seeking financial assistance to attend programs which describe guidelines for incorporating universal design components in projects | 1200 new affordable units incorporating universal design features | Housing Commission | Ongoing | Housing Commission | Very low- and low-income people with disabilities |

**IMPLEMENTATION CHART
MAINTENANCE AND CONSERVATION (continued)**

| Program | Policy | 5-Year Target | Responsible Agency | Timing | Financing | Primary Beneficiary |
|---|--|----------------------------------|--|---------------|------------------|---|
| Code Enforcement/ Rehabilitation Coordination | The City shall coordinate code enforcement efforts with housing rehabilitation program | Ongoing | Neighborhood Code Compliance Division Housing Commission | Ongoing | General Fund | Owners of rental and owner-occupied housing |
| Neighborhood Cleanup Program | The City shall support neighborhood cleanup programs | 50 neighborhood cleanup programs | Environmental Services | Ten per year | General Fund | Residents of older neighborhoods |

Goal 2: Maintain at a high level and upgrade, where necessary, the quality, safety and liability of San Diego's housing stock, with emphasis on preservation of San Diego's affordable housing stock

QUANTIFIED OBJECTIVE

Preservation of Existing Low-Income Housing

HOUSING ELEMENT REQUIREMENTS

Section 65583 of the California Government Code requires local governments to include in their Housing Elements an analysis and programs for the preservation of assisted housing developments.

The purpose of the analysis is to identify actions that the jurisdiction can take to preserve “at-risk” units, to adequately plan for preventing or minimizing tenant displacement and to preserve the local affordable housing stock.

The analysis is required to cover a ten-year period but for ease of planning, the state Department of Housing and Community Development recommends dividing the period into two five-year groups, coinciding with the planning periods of the housing element. The analysis should include five essential components:

1. Inventory of existing multifamily rental units at-risk of losing use restrictions, termination of subsidy contract, or mortgage prepayment (including units assisted by federal, state and local sources of financing or subsidy);
2. An analysis estimating the total replacement cost of producing new rental housing comparable in size and rent levels to the units that could convert, and the estimated cost of preserving the existing assisted units;
3. Identification of all resources available for preservation activities:
 - a. public and private nonprofit corporations capable of acquiring and managing existing multifamily housing developments
 - b. federal, state and local financing and subsidy programs available to preserve “at-risk” units;
4. Establishment of a preservation objective, which is a quantified objective for the number of “at-risk” units to be preserved during the first seven-year planning period;
5. Local programs for preservation activities.

TIME FRAME OF PRESERVATION AMENDMENT

For this Housing Element, the Preservation of Assisted Housing analysis will encompass all housing projects “at-risk” during a ten-year period from July 2005 to June 2015. The first five-year subset will cover the period from July 2005 to June 2010, referred to herein as Group 1. The next five-year subset will cover the period from July 2010 to June 2015, referred to herein as Group 2.

OVERVIEW - PRESERVATION OF “AT-RISK” ASSISTED HOUSING PROJECTS

Beginning in the 1960s, the federal government provided various incentives to private developers including low-interest loans and rent subsidies administered by the Department of Housing and Urban Development (HUD) and Farmers Home Administration (FHA). Owners who secured these subsidies entered into contracts with HUD agreeing to build or operate multifamily rental housing developments that reserved the units for low-income households as long as the projects participated in the federal programs.

Many of the programs gave owners the option of prepaying their mortgages or opting out of their project-based Section 8 rental assistance contracts. When an owner elects to exercise this option, the project’s subsidy and the accompanying use restrictions are terminated. At this point units may be converted to market-rate units and tenants may become displaced without any assurance of securing permanently affordable housing elsewhere. Additionally, the inventory of low-income housing declines as units are taken out of the affordable housing stock and converted to market-rate rents.

The potential loss of affordable units is compounded when considering “at-risk” low-income units produced by state and local programs, such as Low-Income Housing Tax Credit Program, state Density Bonus, CHFA-issued bonds, Multifamily Revenue Bonds, and Low- and Moderate-Income Set Aside Funds provided through redevelopment agencies. Like their federal counterparts, these programs have regulatory agreements or other use restrictions for terms of limited duration.

Inventory and Cost Analysis of “At-Risk” Affordable Units

Table 4 contains an inventory and comparative analysis of the costs involved in replacing units at risk of conversion from affordable housing to market rents during both the Group 1, FY 2006 through FY 2010, and Group 2, FY 2010 through FY 2015 analysis periods. The Analysis calculates the cost to replace, through new construction or acquisition and rehab, the same “at-risk” units in comparable size and rent levels. San Diego Housing Commission staff used most current development, acquisition and rehabilitation costs in the analysis.

The purpose of this analysis is to compare the cost of options available to the jurisdiction when faced with a potential conversion problem, and to determine the level of local subsidies required to assist in preservation efforts. The cost analysis will enable the City to use a “bottom line” approach as programs are developed and available resources targeted to preserve units at risk of conversion.

**TABLE 4
INVENTORY AND COST ANALYSIS OF AT-RISK AFFORDABLE UNITS**

Sorted by Expiration Date of Mortgage Affordability Restrictions (Pre-Pay), or Section 8 Contracts Renewals (Opt-Out)

| Name | Project Address | N ¹ | Fed/State/Local Programs | Expiration Dates | | Units | | Contract Units - Bedrooms | | | | |
|--|--------------------------|----------------|-------------------------------|------------------|----------------------|-------|----------|---------------------------|-----|-----|-----|---|
| | | | | Pre-Pay | Opt-Out ² | Total | Assisted | 0 | 1 | 2 | 3 | 4 |
| Group 1 Projects: July 1, 2005 - June 30, 2010* | | | | | | | | | | | | |
| Euclid Avenue Apts | 4115 Euclid Avenue | N ² | 236(j)(l) | 8/1/1990 | 5/31/1999 | 12 | 12 | 0 | 3 | 5 | 4 | 0 |
| Westminster Manor | 1730 Third Avenue | N ² | 236(j)(l)/202 (Elderly) | 2/1/1992 | 6/30/1999 | 155 | 121 | 35 | 62 | 0 | 0 | 0 |
| Grace Tower | 3955 Park Blvd | N ² | 202 (Elderly) | 6/30/1998 | 6/30/1999 | 169 | 20 | 5 | 15 | 0 | 0 | 0 |
| Trinity Manor | 3940 Park Blvd | N ² | 202 (Elderly) | 1/1/2000 | 12/9/1999 | 100 | 100 | 0 | 99 | 1 | 0 | 0 |
| Cathedral Arms | 3911 Park Blvd | N ² | 236(j)(l)/202 (Elderly) | 8/1/1992 | 5/31/2000 | 206 | 82 | 79 | 3 | 0 | 0 | 0 |
| Wesley Terrace | 5343 Monroe Avenue | N ² | 236(j)(l)/202 (Elderly) | 7/1/1993 | 5/31/2000 | 160 | 160 | 41 | 42 | 0 | 0 | 0 |
| Cathedral Plaza | 1551 Third Avenue | N ² | 236(j)(l) | 3/1/1996 | 5/31/2000 | 222 | 172 | 54 | 30 | 0 | 0 | 0 |
| Luther Tower | 1455 Second Avenue | N ² | 202 (Elderly) | | 5/31/2000 | 198 | 32 | 22 | 10 | 0 | 0 | 0 |
| Green Manor | 4041 Ibis Avenue | N ² | 202 (Elderly) | | 5/31/2000 | 152 | 124 | 84 | 40 | 0 | 0 | 0 |
| Bay Vista Methodist Hgts | 4888 Logan Avenue | N ² | 223©/221(d)(3) | 1/1/1991 | 5/31/2000 | 268 | 268 | 0 | 0 | 100 | 168 | 0 |
| Lakeshore Villa | 6888 Golfcrest Drive | | 221(d)(4) Mkt. Rate | 11/1/1998 | 6/4/2000 | 126 | 124 | 0 | 124 | 0 | 0 | 0 |
| Imperial Villa Apts | 620 67th Street | | 236(j)(l) | 6/1/1995 | 6/30/2000 | 38 | 37 | 0 | 12 | 18 | 7 | 0 |
| Sorrento Tower | 2875 Cowley Way | N ² | 236(j)(l)/202 Eld. Hsg. | 2/1/1997 | 6/30/2000 | 198 | 165 | 130 | 35 | 0 | 0 | 0 |
| Peñasquitos Village | 10955 Carmel Mt Road | | 221(d)(3) BMIR | 5/1/1990 | 7/31/2000 | 332 | 213 | 0 | 62 | 151 | 0 | 0 |
| Delta Arms | 4245 Delta Street | N ² | 236(j)(l) | 12/1/1992 | 7/31/2000 | 22 | 21 | 0 | 6 | 10 | 5 | 0 |
| Pres. John Adams III | 3829 Marlborough Avenue | | 236(j)(l) | 8/1/1992 | 9/30/2000 | 19 | 19 | 0 | 19 | 0 | 0 | 0 |
| San Diego Square | 1055 9th Avenue | N ² | 202 (Elderly) | 2/1/2001 | 10/26/2000 | 156 | 154 | 0 | 154 | 0 | 0 | 0 |
| Horton House | 333 G Street | N ² | 221(d)(3) Mkt. Rate | 8/1/2001 | 4/26/2001 | 150 | 150 | 49 | 101 | 0 | 0 | 0 |
| Lions Community Manor | 310 Market Street | N ² | 202 (Elderly) | 4/1/2002 | 9/30/2001 | 129 | 129 | 0 | 129 | 0 | 0 | 0 |
| Cerro Pueblo | 2835 Clairmont Drive | | 221(d)(4) Mkt. Rate | 6/1/2003 | 11/10/2001 | 46 | 46 | 0 | 46 | 0 | 0 | 0 |
| Villa Merced | 1148 Beyer Way | N ² | 202 (Elderly) | 8/1/2002 | 1/14/2002 | 100 | 100 | 0 | 100 | 0 | 0 | 0 |
| Big Sister Residency | 3360 4th Avenue | N ² | 811 Disabled | | 7/31/2002 | 15 | 15 | 0 | 15 | 0 | 0 | 0 |
| Guadalupe Plaza | 4142 42nd Street | N ² | 202 (Elderly) | 9/1/2003 | 11/30/2002 | 126 | 126 | 0 | 126 | 0 | 0 | 0 |
| Mariners Cove Apts | 4392 W. Point Loma Blvd. | N ² | 221(d)(4) Mkt. Rate | 8/1/1995 | 3/22/2004 | 500 | 100 | 0 | 24 | 68 | 8 | 0 |
| University Canyon Apts | 2098 Via Las Cumbres | P ⁴ | 221(d)(4) Mkt. Rate, MF Bonds | 2/1/2005 | 7/5/2004 | 120 | 120 | 0 | 30 | 82 | 8 | 0 |
| Redwood Villas | 3060 53rd Street | N ² | MOD Rehab | | | 90 | 74 | 0 | 60 | 14 | 0 | 0 |
| | 4566-72 Oregon Street | | MOD Rehab | | | 6 | 6 | 0 | 6 | 0 | 0 | 0 |
| | 3709-15 T Street | | MOD Rehab | | | 5 | 5 | 0 | 0 | 5 | 0 | 0 |
| | 4122-26 C Street | | MOD Rehab | | | 6 | 6 | 0 | 2 | 4 | 0 | 0 |

TABLE 4
INVENTORY AND COST ANALYSIS OF AT-RISK AFFORDABLE UNITS (continued)
 Sorted by Expiration Date of Mortgage Affordability Restrictions (Pre-Pay), or Section 8 Contracts Renewals (Opt-Out)

| Name | Project Address | N ¹ | Fed/State/Local Programs | Expiration Dates | | Units | | Contract Units - Bedrooms | | | | |
|---|-------------------------------|----------------|--------------------------|------------------|----------------------|---------------|--------------|---------------------------|--------------|--------------|------------|-----------|
| | | | | Pre-Pay | Opt-Out ² | Total | Assisted | 0 | 1 | 2 | 3 | 4 |
| Redwood Villas (cont.) | 3606-90 Del Sol Blvd | | MOD Rehab | | | 87 | 87 | 0 | 3 | 11 | 62 | 11 |
| | 4206-16 Keeler Avenue | | MOD Rehab | | | 5 | 5 | 0 | 5 | 0 | 0 | 0 |
| | 6202-08 Brooklyn Avenue | | MOD Rehab | | | | 8 | | 1 | 7 | | |
| | 6202-08 Brooklyn Avenue | | MOD Rehab | | | | 8 | | 1 | 7 | | |
| | 4773-89 Lantana Drive | | MOD Rehab | | | | 8 | | 2 | 6 | | |
| | 4970-72 Holly Drive | | MOD Rehab | | | | 2 | | | | 1 | 1 |
| | 344-348 S. Willie James Jones | | MOD Rehab | | | | 20 | | | 8 | 12 | |
| | 5266-74 Naranja Street | | MOD Rehab | | | | 5 | | 1 | 3 | 1 | |
| | 331-333 S. 49th Street | | MOD Rehab | | | | 2 | | | | 1 | 1 |
| | 3038 Broadway | | MOD Rehab | | | | 5 | | 1 | 2 | 2 | |
| Paseo Point | 10024 Paseo Montril | | Multifamily Bonds | 7/1/2005 | 12/1/2022 | 250 | 50 | 0 | 37 | 13 | 0 | 0 |
| Nobel Court | 3707 Nobel Drive | | Multifamily Bonds | 7/1/2005 | 12/1/2022 | 685 | 137 | 0 | 110 | 27 | 0 | 0 |
| La Cima | 7503 Charmant Drive | | Multifamily Bonds | 7/1/2005 | 12/1/2022 | 514 | 103 | 0 | 75 | 28 | 0 | 0 |
| Hillside garden Apts | 5802 University Avenue | | Multifamily Bonds | 8/8/2005 | 4/1/2025 | 380 | 144 | 0 | 19 | 125 | 0 | 0 |
| Mirada at La Jolla Colony Apts | 7568 Charmant Drive | | Multifamily Bonds | 11/3/2006 | 4/1/2026 | 444 | 89 | 0 | 82 | 7 | 0 | 0 |
| Lusk Mira Mesa Apts | 11102 Caminito Alvarez | | Multifamily Bonds | 10/1/2009 | 3/1/2032 | 752 | 153 | 151 | 16 | 26 | 109 | 0 |
| Las Flores Apts | 7039 Charmant Drive | | Multifamily Bonds | 10/1/2009 | 3/1/2032 | 312 | 63 | 0 | 44 | 19 | 0 | 0 |
| Maya Apts | 10101 Maya Linda Drive | N ⁴ | Multifamily Bonds | 5/15/2010 | 8/1/2025 | 132 | 41 | 0 | 12 | 26 | 3 | 0 |
| Density Bonus | Scattered | | Density Bonus Program | | | 132 | 545 | 0 | 69 | 383 | 81 | 11 |
| Group 1 Total: | | | | | | 11,430 | 4,168 | 650 | 1,833 | 1,151 | 475 | 28 |
| Group 2 Projects: July 1, 2010 - June 30, 2015 | | | | | | | | | | | | |
| Bridgeport Properties | Scattered Sites | N ¹ | Multifamily Bonds | 10/1/2013 | 7/20/2028 | 421 | 421 | 146 | 157 | 106 | 12 | 0 |
| President John Adams Manor Apts | 5471 Bayview Heights Place | N ¹ | Multifamily Bonds | 10/1/2013 | 10/1/2033 | 300 | 300 | 0 | 44 | 208 | 48 | 0 |
| Creekside Villa Apts | 4685 Nogal Street | N ³ | Multifamily Bonds | 6/24/2014 | 6/15/2019 | 144 | 43 | 0 | 0 | 29 | 0 | 14 |
| Archstone (La Jolla Pointe Apts) | 7396 Avenida Navidad | | Multifamily Bonds | 8/1/2014 | 8/1/2014 | 328 | 66 | 0 | 21 | 45 | 0 | 0 |
| Density Bonus | Scattered Sites | | Density Bonus Program | | | 290 | 47 | 1 | 5 | 27 | 9 | 2 |
| Group 2 Total: | | | | | | 1,483 | 877 | 147 | 227 | 415 | 69 | 16 |
| Total Group 1 and 2: | | | | | | 12,913 | 5,045 | 797 | 2,060 | 1,566 | 544 | 44 |

TABLE 4

INVENTORY AND COST ANALYSIS OF AT-RISK AFFORDABLE UNITS (continued)
Sorted by Expiration Date of Mortgage Affordability Restrictions (Pre-Pay), or Section 8 Contracts Renewals (Opt-Out)

| | Costs | Units | Contract Units - Bedrooms | | | | |
|--|----------------------|--------------|---------------------------|--------------------|--------------------|--------------------|-------------------|
| | | Assisted | 0 | 1 | 2 | 3 | 4 |
| COST ANALYSIS | | | | | | | |
| Total New Construction Costs for Group 1: | \$732,175,000 | 4,168 | 70,200,000 | 307,944,000 | 244,012,000 | 103,075,000 | 6,944,000 |
| Total Acquisition and Rehab Costs for Group 1: | \$366,412,000 | 4,168 | 41,600,000 | 159,471,000 | 108,194,000 | 53,675,000 | 3,472,000 |
| Total New Construction Costs for Group 2: | \$160,933,000 | 877 | 15,876,000 | 38,136,000 | 87,980,000 | 14,973,000 | 3,968,000 |
| Total Acquisition and Rehab Costs for Group 2: | \$77,948,000 | 877 | 9,408,000 | 19,749,000 | 39,010,000 | 7,797,000 | 1,984,000 |
| Total New Construction Costs for Groups 1 and 2: | \$893,108,000 | 5,045 | 86,076,000 | 346,080,000 | 331,992,000 | 118,048,000 | 10,912,000 |
| Total Acquisition and Rehab Costs for Groups 1 and 2: | \$444,360,000 | 5,045 | 51,008,000 | 179,220,000 | 147,204,000 | 61,472,000 | 5,456,000 |

Footnotes:

1. Projects owned by Non-Profit Organizations, and although eligible for conversion, are generally regarded as being at low risk for conversion to market-rate housing.
2. Contains projects which are being renewed year to year from original expiration date of section 8 contract.
3. Limited Partnership with a Nonprofit General Partner.
4. Project owned by Public Agency.

A total of 4,168 affordable units are eligible to convert to market rate rents during the FY 2006 through FY 2010 reporting period. Most of these units are at risk due to options available to current owners to prepay existing federal mortgages. Estimates indicate that it would cost the City over \$732 million to replace those units through new construction and over \$366 million to replace those units through acquisition and rehabilitation. Estimated acquisition costs factored in possible rehab cost to bring units up to health and safety standards or to remove asbestos and lead-based paint hazards. It should be noted that 2,166 units are in projects owned by nonprofits, and although eligible for conversion, those projects are generally regarded as being at low-risk for conversion to market rate housing. The City will monitor those nonprofit projects, but anticipate that any preservation opportunities will come from for-profit-owned projects.

A total of 877 affordable units are eligible to convert to market rate rents during the FY 2010 through FY 2015 reporting period. Most of these units are at risk due to the expiration of Multifamily Bond financing. Estimates indicate that it would cost the locality over \$160 million to replace those units through new construction and nearly \$80 million to replace those units through acquisition and rehabilitation.

The City is at risk of losing a total of 5,045 affordable units from its affordable housing stock, from FY 2006 through FY 2015, due to the prepayment of subsidized mortgages and the expiration of affordability restrictions. Most of these units are at risk due to options available to current owners to prepay existing federal mortgages, or the expiration of multifamily bonds. Estimates indicate that it would cost the locality over \$890 million to replace those units through new construction and over \$444 million to replace those units through acquisition and rehabilitation. Owners of multifamily bond projects may agree to amend existing bond documents to extend the terms of affordability, at no cost to the jurisdiction.

Localities can anticipate limited federal and state assistance in preserving the affordability of these units. Therefore, the need for local assistance is much greater in this instance. Faced with greater preservation costs, replacement of lost units through acquisition and rehabilitation appears to be the most cost effective option.

The cost analysis makes clear the need for access to all available financial resources in order to prevent the loss of "at-risk" units. Moreover, the analysis also makes clear the need to work with organizational resources to achieve preservation targets. Reliance on local or even state or federal financing programs alone is not sufficient to assure preservation, given the extensiveness of the conversion problem.

There has been such a variety of financing and subsidy programs used to build affordable housing in the past, that existing state and federal financing or incentive preservation programs do not address the possible conversion of many nonfederal financed housing projects, such as density bonus units. Finally, long-term preservation is not guaranteed without enlisting the active support and participation of tenants and local nonprofit agencies willing to acquire and maintain "at-risk" units as permanently affordable housing.

FINANCING PROGRAMS

Federal

There are two types of federal programs that allow the termination of low-income use restrictions: low-interest, FHA-insured loans; and Section 8 rental assistance. Often, projects received assistance from both types of programs. In such cases, the earliest termination date in either program is the earliest a project may lose its use restrictions.

Programs that fall under the first category of low-interest, Federal Housing Administration (FHA) insured loans include the Section 221(d)(3) Below Market Interest Rate (BMIR), Section 236 and Section 202 Programs. Between 1961 and 1983, the Section 221(d)(3) and Section 236 programs provided for-profit and nonprofit owners with loans at typical interest rates of one percent or three percent and provided at least 90 percent of development cost. The first two programs were typically financed by private lenders with HUD “writing down” the interest and providing mortgage insurance. The third program was a direct government loan. Mortgages were for terms of 40 years; however, these programs allowed loan repayment in year 20 and termination of the regulatory restrictions on both rents and occupancy.

In addition to very favorable financing terms, owners received tax benefits that provided an attractive return on their ten percent equity contribution. They also received a restricted annual cash flow of up to six percent of original equity, and received management and partnership fees.

All Section 202 and some Section 236 and Section 221(d) (3) (BMIR) projects that are held in nonprofit ownership or received certain other additional HUD subsidies, are locked into their affordability for the full mortgage term, but may have use restrictions terminated after that date.

Federal Section 8 rental assistance programs fall under the second general category of programs allowing termination of use restrictions. These programs include New Construction, Substantial Rehabilitation and Moderate Rehabilitation Programs, as well as existing federally assisted projects onto which Section 8 was added under the Loan Management Set-Aside and Property Disposition Programs.

Under these Section 8 contracts, subsidies are tied directly to the project and cannot be used by tenants if they move elsewhere. HUD provides the project owner with the difference between a tenant’s rent contribution, generally limited to 30 percent of household income, and the contract rent established by HUD. Many of the contracts allowed owners to opt out after seven-year intervals. If this option was exercised, tenants residing in the project would lose their rental assistance and in all likelihood, be faced with a greater rent burden or be forced to seek housing elsewhere.

In 1996, Congress created an “enhanced voucher” to protect tenants from rent increases in properties that left HUD’s programs. Enhanced vouchers may provide a greater subsidy and give tenants a right to remain in their unit after conversion to market rent.

When long-term rental assistance contracts expire, HUD may renew them. Currently, HUD generally renews expiring long-term contracts on an annual basis but may renew for up to five years. According to HUD, about 90-95 percent of the property owners renew their contracts, thereby continuing to provide affordable housing.

State and Local

Over 5,000 affordable housing units that have been developed in San Diego using federal, state and local programs, have expiring rent restrictions over the ten-year period (FY 2006-FY 2015). These units generally carry affordability restrictions for periods of between ten and 30 years. Many of these units are nearing the end their affordability terms, and are considered “at risk” of converting to market-rate rents.

CITY OF SAN DIEGO

Most of these units have been developed by private nonprofit or for-profit sponsors who have utilized subsidies or financing provided by the public sector at the local, state and/or federal levels.

Affected units include those acquired, constructed, or rehabilitated through issuance of Multifamily Bonds, the Section 8 Moderate Rehabilitation Program, or gap financing provided by the San Diego Housing Commission. Also included in this inventory are over 500 Density Bonus restricted units which have affordability expiration dates that expire after July 1, 2005.

RESOURCES FOR PRESERVATION

Organizational Capacity

There are approximately 20 public entities and private nonprofit corporations that have established legal and managerial capacity to acquire and manage federally subsidized housing developments:

- Bridge Housing Corporation
- Catholic Charities
- Chicano Federation of San Diego County
- City Heights CDC
- Community Housing Works
- Greater Golden Hills Community Development Corporation
- Housing Development Partners of San Diego
- MAAC Project
- Orange Housing Development Corporation
- San Diego Housing Authority
- San Diego Housing Commission
- San Diego Interfaith Housing Foundation
- San Diego Youth and Community Services Inc.
- Southern California Housing

St. Vincent DePaul Village
The Salvation Army
Townspeople Inc.
Vietnam Veterans
Wakeland Housing and Development Corp.
YWCA of San Diego County

The San Diego Housing Commission could work with any one of these entities to preserve “at-risk” housing developments. The San Diego Housing Commission is the affordable housing agency for the City of San Diego and provides Section 8 certificates and vouchers for eligible households; rehabilitation of low-income owner-occupied and rental units, and financing development and management of affordable multifamily rental projects including public housing. Other entities seeking to build capacity to provide and preserve affordable housing could potentially be involved in future preservation efforts.

FINANCING SOURCES

Mortgage Revenue Bonds

Since 1982, the City of San Diego has been issuing mortgage revenue bonds for the development of multifamily rental housing. During this period, 53 projects have been funded, creating a total of 12,858 rental units, of which 5,626 are new low-income units. Part of the City’s preservation strategy has been to refinance such projects with mortgage revenue bond proceeds (bond refunding) at the end of the affordability period in exchange for extended (and strengthened) affordability controls. Mortgage revenue bonds can also be a resource for acquiring and preserving “at-risk” units that were not originally financed with bond proceeds

As bond issuance or refunding is an elective activity to which the owner must agree, it is difficult to project how much financing and bond authority the City would need to preserve these “at-risk” developments.

Older Multifamily Bond projects had shorter affordability periods and allowed the removal of affordability restrictions if the bonds were repaid prior to maturity. Currently, Multifamily Bond projects are typically affordable for 30 years or longer if required by the Regulatory Agreement and do not have the same prepayment options.

State Bond Financing (upon availability)

The availability of financing at the state level, typically funded through voter-approved general obligation bond issuances, will be considered a source for local preservation activities. If the housing programs are similar to those assisted by past ballot measures, then funding will probably be available for preservation activities, pending voter approval.

Historically, such bond proceeds are administered by the state of California Department of Housing and Community Development and have been used to fund primarily new construction and rehabilitation housing projects.

The California Housing Finance Agency's (CalHFA) offers a Preservation Acquisition Program that provides low-cost acquisition financing. The fund is comprised of monies authorized by Proposition 46 ("Bond Funds") and funds from CalHFA. Eligible projects include Section 8 assisted, BMIR 221(d)(3), Section 236, Section 202, Section 515 and IRS Section 42 housing. The acquisition funds are to be repaid from permanent financing sources. Projects that are unable to secure permanent financing after acquisition may request that Bond Fund monies be converted to long-term residual receipt financing. Approximately \$42.75 million is available.

CDBG

In recent years, San Diego received an annual allocation of approximately \$18 million in Community Development Block Grant Funds. Barring any substantial change in HUD appropriations, a similar amount of funding is expected over the next five years, during the Group 1 analysis period. Total CDBG funding during this period would be approximately \$90 million.

Approximately 12 percent of CDBG funds are typically allocated to fund affordable housing services such as single-family housing rehabilitation. It is expected that the funding priorities will remain consistent; hence, the same percentage of funds should be available for housing activities. Due to the limited nature of CDBG resources, it is unlikely that a significant amount of funds would be used for preservation activities; however, the City could decide to dedicate a greater percentage of CDBG funds for housing activities during any given year.

Low- and Moderate-Income Housing Fund

California Redevelopment Law requires localities to set aside 20 percent of their tax increment dollars derived from redevelopment project areas to improve the supply of housing for very low-, low- and moderate-income households and to replace housing units lost through redevelopment activities. The 20 percent set-aside is targeted to increase the supply of affordable housing through new construction.

At the end of FY 2004, the City, through its Redevelopment Agency, had funded the construction, or assisted in funding the construction, of 11,182 very low-, low- and moderate-income restricted multifamily units, of which 1,040 or 9.3 percent were very low-restricted units.

Total Local Sources

The City will consider the use of those local funds listed below to support the preservation or replacement of at risk units:

**TABLE 5
POTENTIAL SOURCES OF FUNDS TO
PRESERVE OR REPLACE “AT-RISK” FUNDS**

| Potential Sources | FY 06 | FY 07 | FY 08 | FY 09 | FY 10 |
|--------------------------|---------------|--------------|--------------|--------------|--------------|
| CDBG | \$18M | \$18M | \$18M | \$18M | \$18M |
| HOME | 7M | 7M | 7M | 7M | 7M |
| Housing Trust Fund | 2M | 2M | 2M | 2M | 2M |
| Housing Commission | 1M | 1M | 1M | 1M | 1M |
| Redevelopment Set Aside | 3M | 3M | 3M | 3M | 3M |
| Total | \$31M | \$31M | \$31M | \$31M | \$31M |
| Grand Total | \$155M | | | | |

Table 5 indicates that the City has at its discretion approximately \$31 million annually. A significant portion of this money is currently used to support ongoing community development activities, and to support the wide range of activities which comprise this City’s multifaceted affordable housing strategy. Even if the City were to commit all available resources to preserve “at-risk” units, there are not sufficient funds to do so.

Allocation of all funds from these sources to support preservation activities would deprive other affordable housing and community development activities of sufficient support to guarantee their continuation or the successful implementation of new activities in these areas. Therefore, while the City will consider the use of these funds for preservation of “at-risk” units, it is highly unlikely that all such funds will be used for this purpose.

FEDERAL INCENTIVES

In the City of San Diego, there are approximately 2,600 federally mortgaged housing units which are eligible for conversion to market-rate rentals between now and the end of FY 2015. All of these units have been developed by private nonprofit or for-profit sponsors without additional subsidies or financing provided by the public sector at the local or state levels.

A few years ago, FHA proposed a plan for restructuring HUD’s multifamily portfolio, after recognizing that Section 8 rental subsidies for multifamily rental assistance projects had escalated significantly, and by Fiscal Year 2002, could reach a cost of \$6 billion. The plan called for restructuring the multifamily portfolio so that market rate rents could support a property’s debt. This plan would end over-subsidization of properties, promote resident responsibility and choice in housing, and bring marketplace competition and incentive.

The 1998 Appropriations Act set forth the legislation “Multifamily Assisted Housing Reform and Affordability Act (MAHRA) of 1997” that enables the Department to move forward with a permanent Mark-to-Market (M2M) Program. MAHRA findings and purposes:

- Recognizes the growing needs for funds for Section 8 assistance contract renewals and the danger of FHA multifamily defaults if renewal funding is not available.
- States that the economic, physical, and management problems of the insured, assisted stock would best be addressed with reforms which:
 - reduce the cost of federal rental assistance by reducing project debt service and operating costs;
 - address the physical and financial needs of a project and the failure of project owners and managers to comply with program rules; and transfer administrative and other responsibilities of the Secretary to capable state, local and other entities.

HUD has designated the California Housing Finance Agency (CHFA) as the Participating Administrative Entity (PAE) to implement the Mark-to-Market program in California. Under the M2M program, a project owner wishing to renew Section 8 project-based subsidies must submit a Restructuring Plan. The Plan must justify the owners' and PAE's preference for continuing project-based assistance as opposed to providing tenant-based assistance. It must detail how the contract rents will be set and provide the cost required, and plans for the completion of needed rehabilitation. It must state how the FHA insured mortgage is to be restructured, describe whatever affordability restrictions exist on the property, and provide proof that competent management exists. A plan must be submitted for each property to be restructured, but owners of multiple properties may submit one plan for all.

The City of San Diego has a number of federally insured multifamily housing projects which have rents that are at or above 100 percent of FMR and eligible for HUD's M2M program. The Housing Commission is expected to work with the CHFA in the restructuring of those projects.

Section 8

Nationally over 900,000 FHA-insured housing units in 11,000 properties were financed with HUD mortgages. Between 2003 and 2013, over 2,300 properties (236,000 units) have mortgages that will mature. Of these, over 135,000 are project-based Section 8 units.

Without Section 8 rental assistance, a percentage of HUD-assisted and insured projects may default, jeopardizing tenants, owners, and affordable housing stock and creating substantial losses in the FHA insurance fund.

To forestall this crisis, Congress and the Administration have offered one-year extensions of these expiring Section 8 contracts. The Section 8 renewal authority is the first step to addressing this affordable housing dilemma. Congress has approved new legislative authority for project-based subsidies expiring in fiscal year 1999. HUD is moving ahead under current law to ensure timely funding of the one-year extension of Section 8 contracts as they expire.

At the request of an owner, HUD shall renew the Expiring Section 8 Contracts as project-based assistance for a period of not more than one year, at rent levels that are less than or equal to comparable rents. Project owners with rents greater than the market may request to participate in the Mark to Market Program authorized by MAHRA. These contracts are renewed at existing rent levels temporarily while the mortgage is being restructured.

PRESERVATION OBJECTIVE

HUD will take the following steps to protect the low- and very low-income resident families:

- Provide Section 8 certificates or vouchers to eligible unassisted low- and very low-income families residing in the project subject to availability of funds.
- Allow residents to continue living in Section 8 project based assisted units under an existing Housing Assistance Payments (HAP) Contract until the contract expires.
- Provide residents with a Section 8 certificate or voucher when the HAP contract expires, subject to the availability of funds.

The 1997 Appropriation Act also provided Section 8 assistance to prevent displacement, and expand the scope of eligibility to include all low-income families, and moderate-income families who are elderly or disabled or families who are residing in a low-vacancy area (3 percent or less vacancies). All recipients must reside in the housing on the date of prepayment. The San Diego HUD Office will work with the property owners and the San Diego Housing Commission to ensure that the above steps for protecting the residents are implemented.

If current owners do not wish to retain these units as affordable, the City may provide assistance to private nonprofit entities interested in purchasing and managing these developments as affordable housing.

If no interested and capable private nonprofit entity is available to assume control of these “at-risk” units, the City, can, through its Housing Authority or nonprofit corporation, pursue ownership and management of those units for which retention as affordable dwellings are considered important in meeting the housing needs of low-income San Diegans. The City will utilize this flexible approach to retain as many units as financially feasible in its affordable housing stock.

Given the level of local and federal financing anticipated to be available during the period from July 2005 - June 2010, the preservation objective during this period is 500 units or approximately ten percent of the total number of assisted units eligible to convert to market rate rents.

PROGRAMS

The City of San Diego will continue or undertake the following programs and activities during the five-year period of the Housing Element. The San Diego Housing Commission will implement these efforts, except where another division or agency of the City of San Diego is identified. Funding sources to support the implementation of these efforts is specified where appropriate. The efforts listed below represent a varied strategy to mitigate potential loss of “at-risk” units due to conversion to market rate units. These local efforts utilize existing City and local resources. They include efforts to secure additional resources from the public and private sector should they become available.

1. Administer an Acquisition and Rehabilitation Program to assist for-profit and nonprofit developers in acquiring and rehabilitating housing units that preserve affordability in rental projects that are at-risk of converting to market rents. Based on projected funding sources and levels, it is anticipated that approximately 500 units can be assisted.
2. Monitor owners of “at-risk” projects on an ongoing basis, in coordination with other public and private entities to determine their interest in selling, prepaying, terminating or continuing participation in a subsidy program.
3. Maintain an updated inventory of “at-risk” projects through the use of existing databases (e.g., HUD, state of California Department of Housing and Community Development and California Tax Credit Allocation Committee).
4. Take all necessary steps to ensure that a project remains in or is transferred to an organization capable of maintaining affordability restrictions for the life of the project.
5. Coordinate with HUD to monitor projects approved to convert to ensure that any required assistance (or assistance that the owner has agreed to provide) to displaced tenants is carried out in a timely manner. Projects will be monitored to see if they are subject to other state or local requirements regarding the provision of assistance to displaced tenants.
6. Monitor local investment in projects that have been acquired by nonprofit or for-profit entities to ensure that properties are well managed and well maintained and are being operated in accordance with the City’s property rehabilitation standards.
7. Work with owners, tenants and nonprofit organizations to assist in the nonprofit acquisition of “at-risk” projects to ensure long-term affordability of the development.
8. Monitor and participate in federal, state or local initiatives that address affordable housing preservation (e.g., support state or national legislation that addresses “at-risk” projects, support full funding of programs that provide resources for preservation activities).
9. Use available financial resources to restructure federally assisted preservation projects, where feasible, in order to preserve and/or extend affordability.
10. Pursue funding sources at the federal, state or local levels that may become available for the preservation of “at-risk” projects.
11. Continue to assist owners or purchasers of existing Mortgage Revenue Bond (MRB) projects to refund their bonds in exchange for augmented and/or extended affordability controls.
12. Work with HUD to obtain Section 8 certificates or vouchers for displaced tenants of non-federal “at-risk” projects.
13. SRO Relocation and Displacement Ordinances - Strengthen SRO relocation and displacement ordinances through appropriate amendments to ensure the continued preservation and expansion of SROs as a viable housing resource.
14. Monitor the demolition of existing dwelling units and explore replacement provisions for the loss of affordable housing units.

**IMPLEMENTATION CHART
PRESERVATION OF EXISTING LOW-INCOME HOUSING**

| Program | Policy | 5-Year Target | Responsible Agency | Timing | Financing | Primary Beneficiary |
|---|--|---|---|------------------------------|--------------------------------------|---|
| Acquisition/ Rehabilitation Preservation Program | Acquire and rehabilitate housing units that preserve affordability in rental projects that are “at risk” of converting to market rate rents | 500 | Housing Commission | 100 per year through FY 2010 | Federal, State & Local Housing Funds | Low-income Families & Individuals |
| Amend SRO relocation and displacement ordinances to ensure continued preservation and expansion of SROs | | City Council adoption and Coastal Commission certification | Housing Commission Planning Department | By FY 2006. | General Fund | Existing SRO Tenants |
| Monitor the demolition of existing dwelling units and explore replacement provisions for the loss of affordable housing units | Replacement provisions currently apply to certain SRO units and affordable units in the Coastal Zone. In addition, the City will monitor affordable units lost due to redevelopment activities, school construction and other causes. Efforts will be made to mitigate these losses where feasible | Monitor demolitions on ongoing basis. Research replacement provision alternatives | Planning Dept Development Services Dept. Housing Commission | Ongoing | General Fund | Existing Low- and Very Low-Income Tenants |

Goal 2: Maintain at a high level and upgrade, where necessary, the quality, safety and liability of San Diego’s housing stock, with emphasis on preservation of San Diego's affordable housing stock

QUANTIFIED OBJECTIVE

Rehabilitation

Rehabilitate at least 2,100 housing units during the five-year plan period. Of these, at least 1,200 housing units would be affordable to extremely low-income households, 600 housing units would be affordable to very low-income households and 300 housing units would be affordable to low-income households at 65 percent of AMI, the standard established under the HOME program. This objective does not include units rehabilitated with the assistance of Low- and Moderate-Income Redevelopment Set-Aside Funds. A separate objective covers these units.

CHANGES TO QUANTIFIED OBJECTIVE FROM PREVIOUS HOUSING ELEMENT

For the new Housing Element, the rehabilitation objective has been reduced by 800 units from the previous Element. However, the proportion of units rehabilitated for extremely low- and very low-income households has risen from 66 percent in the previous Element to 85 percent in the new Element.

POLICIES

1. The City shall provide funding support to assist in the rehabilitation of both renter- and owner-occupied housing.
2. To the extent practically possible, City-sponsored rehabilitation programs should be coordinated with code enforcement and preservation programs described previously targeted to designated neighborhoods in order to maximize impact as an integral part of comprehensive neighborhood revitalization and reinvestment programs. However, in some instances, it may be appropriate for City rehabilitation funds to be broadly targeted to all neighborhoods eligible under federal and state regulations.
3. The City shall seek to leverage its funds for rehabilitation with other non-local public and private sources.
4. The City shall consider a policy which establishes one standard for the extent to which units funded with local funds need to be repaired. This policy need not apply to City funds which support such activities as paint-up/fix-up or clean-up or other such programs which fund essentially cosmetic repairs.
5. To the extent practical, the use of Housing Commission and Redevelopment Agency Set-Aside funds for rehabilitation shall be used in a coordinated manner in order to maximize impact.
6. To the extent legally and practically possible, public sector rehabilitation funds shall generally be utilized first to correct health and safety code violations with non-code related improvements given lower priority.

7. The City shall promote the availability of programs to make housing units occupied by people with disabilities accessible.
8. The City shall continue to support the maintenance and rehabilitation of the 36 City-owned farm worker housing units in San Pasqual Valley.

PROGRAMS

1. Homeowner Rehabilitation

The City shall continue to support and, where possible, expand a code enforcement program. Such a program shall emphasize Homeowners Rehabilitation Program which consists of three components:

- a. The Housing Commission shall administer a homeowner rehabilitation program which offers low-interest loans to low-income homeowners for repairs and improvements. These loans would be available for one to four unit buildings, where at least one unit is owner occupied. Approximately 25 units owned and occupied by low-income households will be rehabilitated over the five-year period.
- b. The Housing Commission shall administer a zero-interest deferred loan program for very low-income homeowners to make repairs and improvements to single-family homes. These zero-interest deferred loans will range up to \$10,000 with an additional \$5,000 available for lead paint remediation. Repayment of the loan is required upon the reselling or refinancing of the home. Approximately 500 single-family units will be rehabilitated over the five-year period. Since the average income of loan recipients is 30 percent of AMI, it is assumed that 250 households will be extremely low-income and 250 households will be very low-income.
- c. The Housing Commission shall also administer the HOMEWORKS purchase/rehabilitation loan program for first-time homebuyers. The Housing Commission will provide a second equity loan that will cover 25 percent after rehabilitation value at no interest. The Housing Commission and homeowner will proportionately share any equity upon resale prior to 15 years. This program will aid in rehabilitating ten homes occupied by low-income homeowners over the five-year period.

2. Rental Housing Rehabilitation Program

The Housing Commission shall administer a rental rehabilitation program up to \$15,000 per unit which offers low- or no-interest loans to owners of rental property where the units are occupied by low-income households after rehabilitation. Rehabilitation of for-profit units through HOME funding is limited to buildings within the Livable Neighborhoods or Enterprise Zone areas. The rent restrictions shall remain effective for ten years. Twenty percent of these units will be available to very low-income persons while 80 percent will be affordable at the 65 percent level of AMI. Approximately 200 rental units will be rehabilitated over the five-year period through these programs. In addition, rental properties in targeted areas shall be eligible for grants to remediate lead paint.

3. Mobile Home Grants

The Housing Commission shall administer a mobile home grant program which makes one-time only grants up to \$3,500 available to very low-income mobile home owners for reparation purposes. Designated distressed parks can obtain up to a \$5,000 grant. Approximately 500 mobile homes will be rehabilitated through grants over the five-year period. Since the average income of grant recipients is 30 percent of AMI, it is assumed that 250 households will be extremely low-income and 250 households will be very low-income.

4. Acquisition and Rehabilitation

The Housing Commission shall administer a program to assist for-profit and not-for-profit developers in acquiring and rehabilitating housing units with a portion of these units to be affordable to low-income households. Based on projected funding sources and levels, it is anticipated that approximately 550 units will be assisted. Of these units, 50 units will be affordable to extremely low-income households, 450 units will be affordable to very low-income households, and 50 units will be affordable to low-income households.

5. Modifications for the Disabled

The state of California's Exterior Accessibility Grant for renters provides a two-year program to make exterior accessibility improvements to 100 rental units occupied by low-income tenants with disabilities.

6. Farm Worker Housing

The City of San Diego owns 36 housing units in San Pasqual Valley. All but five units are leased out to farmers and growers as part of larger leasehold agreements in which City-owned land is leased out for agricultural purposes to farmers and growers. The units are occupied by full-time agricultural employees and their families who are of very low-income. The lessees are responsible for maintenance of the units. However, the City, through the Water Utilities Department, provides funds for rehabilitation where needed. Most of the units are in good condition. Recently, three units were demolished and replaced with three new units.

**IMPLEMENTATION CHART
HOUSING REHABILITATION**

| Program | Policy | 5-Year Target | Responsible Agency | Timing | Financing | Primary Beneficiary |
|---|---|----------------------|---------------------------|-----------------------|-------------------------------|---|
| Homeowner Rehabilitation | Provide funding support to assist in the rehabilitation of owner-occupied housing Coordinate rehab programs with code enforcement efforts and combine both a targeted and citywide effort neighborhood The City shall seek to leverage its funds for rehabilitation with other non-local public and private sources The City shall consider a policy which establishes one standard for the extent to which units funded with local funds need to be repaired. To the extent practical, the use of Housing Commission and Redevelopment Agency Set-Aside funds for rehabilitation shall be used in a coordinated manner in order to maximize impact | Units: 535 | Housing Commission | 107/year | HOME CDBG Hsg Trust Fd. | Low- and moderate-income homeowners |
| Rental Housing Rehabilitation | Provide funding support to assist in the rehabilitation of renter-occupied housing | Units: 200 | Housing Commission | 40/year | HOME | Very low- and low-income renters |
| Mobile Home Grants | Provide funding support for the rehabilitation of mobile home owners | 500 | Housing Commission | 100/year | | Very low- and low-income mobile home owners |
| Acquisition/ Rehabilitation | Provide funding support to acquire and rehabilitate housing units with a portion of these to be affordable to low-income households | 550 | Housing Commission | 110/year | | Very low- and low-income households |
| Physical Modifications for the Disabled | The City shall promote the availability of programs to make housing units occupied by people with disabilities accessible | Units: 100 | Housing Commission | 50/year for two years | State-Cal HOME EAGR | Disabled |

**IMPLEMENTATION CHART
HOUSING REHABILITATION (continued)**

| Program | Policy | 5-Year Target | Responsible Agency | Timing | Financing | Primary Beneficiary |
|---|---|---|---|-------------------------------|------------------|----------------------------|
| Physical Modifications for the Disabled (cont.) | To the extent legally and practically possible, public sector rehabilitation funds shall generally be utilized first to correct health and safety code violations with non-code related improvements given lower priority | | | | | |
| Farm Worker Housing | The City shall continue to support the maintenance and rehabilitation of the 36 City-owned farm worker housing units in the San Pasqual Valley | Maintain and rehabilitate 36 units as necessary | Real Est. Assets Neighborhood Code Compliance | Ongoing Water Utilities Dept. | Farm Workers | Farm Worker Housing |

Goal 2: Maintain at a high level and upgrade, where necessary, the quality, safety and liability of San Diego's housing stock with emphasis on preservation of San Diego's affordable housing stock

City of San Diego General Plan Housing Element FY1999-2004 Volume I



Goal 3

Minimize governmental constraints in the development, improvement and maintenance of housing without compromising the quality of governmental review or the adequacy of consumer protection

GOAL 3

MINIMIZE GOVERNMENTAL CONSTRAINTS IN THE DEVELOPMENT, IMPROVEMENT AND MAINTENANCE OF HOUSING WITHOUT COMPROMISING THE QUALITY OF GOVERNMENTAL REVIEW OR THE ADEQUACY OF CONSUMER PROTECTION

QUANTIFIED OBJECTIVE

Reduction of Governmental Constraints

Project Management procedures, including the Project Tracking System, shall be entirely operational during the 2005-2010 Housing Element cycle.

To take no more than ten working days to process 90 percent of ministerial permit applications for single-family units through the initial correction stage and to take no more than 26 working days to process 90 percent of ministerial permit applications for multiple-family units. Such processing shall include the time from initial application to issuance of a correction notice.

CHANGES TO QUANTIFIED OBJECTIVE FROM PREVIOUS HOUSING ELEMENT

The previous Housing Element included an objective to make the Process 2000 system 80 percent operational by January 2000. This program, now renamed "Project Management" had become fully operational by 2004.

The objective in the previous Housing Element on processing of ministerial permits has been slightly modified and an objective has been added that all the components of Project Management including the new Project Tracking System shall remain operational during the next five years.

POLICIES

1. The Planning Department and Development Services Department shall propose zoning and permit processing changes to further reduce housing costs and average permit processing times.
2. The City shall consider appropriate organizational changes to enable development permits to be processed more expeditiously in a coordinated manner.
3. The Development Services Department shall annually monitor average processing times for discretionary development permits.
4. The Development Services Department shall continue to look for ways to substantially reduce permit processing times and create more certainty for permit applicants.

5. The Development Services Department shall stress the importance of flexibility in the application and interpretation of regulations for building and housing permits to determine the best and most economical approaches to providing affordable housing, while not compromising life, safety, the purpose or intent of the City's design regulations or community and General Plan goals.
6. The City shall continue to implement provisions of state law which exempt certain affordable housing projects from CEQA if specified criteria are met.
7. The City shall continue to educate participants in the community planning process on affordable housing objectives, policies and programs.

PROGRAMS

1. Project Management

The City has redesigned its permit processing system to consolidate and streamline review functions speed project review and reduce confusion experienced by applicants. Key aspects of the Project Management system are as follows:

- a. Coordinated Project Management system—An assigned project manager serves as a single point of contact for an applicant and coordinates processing for all permits related to that applicant's project.
- b. Comprehensive automated Project Tracking System (PTS)—This system improves information management and enhances communication and coordination among participants in the development review process. PTS replaced a variety of manual and single departmental systems and is designed to track and manage projects across all disciplines through the entire developmental review and permitting process.
- c. Comprehensive Geographic Information System (GIS)—This system makes all mapped information needed to process applications available to reviewers on desktop computers.

2. Project Tracking System

The Development Services computerized PTS has been fully operational since May 2003. PTS is used to organize customer flow, display project geographic mapping information and support development review, project management, fee invoicing and payment, permitting and inspection activities. Customer self-access to PTS information features are being added including telephone and computer access. Project managers and supervisors have instant access to a full range of information about specific projects. Periodic reports are prepared to measure performance such as time needed for particular review activities, number of resubmittals required prior to project approval and completion rates for individual project reviewers and managers. Quarterly reports and monthly data on permits and valuation are produced.

3. Affordable/Infill Housing and Sustainable Buildings Expedite Program

This program, adopted by Council on May 20, 2003, reduces processing times by approximately 50 percent for projects that meet established criteria as Affordable/Infill projects or sustainable projects.

4. Accessible Housing Expedite Procedure

Consideration shall be given to establishing an expedite procedure or program for projects that incorporate accessibility features that go above and beyond those that are currently required by the adopted building code. Specific criteria will need to be established for accessible projects that would be eligible for expedited processing.

5. Land Development Code Changes for Housing Affordability

The Planning Department and Development Services Department will study the feasibility of the following changes to the Land Development Code. These changes have been identified by the development community and housing advocates as measures which could facilitate housing production and affordability. Any amendments to the Land Development Code would follow an inclusive procedure for noticed public discussion involving community planning groups and technical advisory groups followed by Planning Commission and City Council hearings.

- a. Modify the planned district ordinances which contain unit thresholds that require discretionary review to allow the residential density provided by the underlying zone. Assure that development regulations in the planned district ordinance are complied with.
- b. Use on-street parking to count toward overall parking standards where appropriate conditions exist. On-street parking can currently be counted through the discretionary review process under specified conditions. This change would define prescribed circumstances, taking into account localized conditions, under which on-street parking could be counted toward parking standards through the ministerial review process.
- c. Modify setback requirements and allowable Floor Area Ratio in small lot and townhouse zones in order to facilitate the zones' application. The Small Lot and Townhouse zones are new zones created in the Land Development Code. Initial applicants requesting to use these zones have indicated that these zones might be utilized more if minor adjustments were made to the setback and allowable FAR provisions.
- d. Identify additional locations, zones and circumstances where mixed-use development could be permitted by right or through a ministerial review process and incorporate appropriate design standards to assure quality development. This would also implement a primary objective of the City of Villages strategy which emphasizes mixed-use development in village locations.

- e. Expand the use of citywide multiple dwelling unit zones in Planned District Ordinance areas, incorporating modifications where necessary to fit unique circumstances. This is being attempted initially in two pilot villages. Several planned district ordinances require a discretionary permit for multifamily development. As individual planned districts are updated, the citywide multiple unit zones should be incorporated into them. These zones permit multiple unit development ministerially, with appropriate design standards built in. A long-range goal is to eventually eliminate Planned District Ordinances in instances where citywide zones can achieve desired design standards.
- f. Allow Planned Development Permits in all Planned District Ordinances in order to enhance flexibility with respect to regulatory requirements. Several planned district ordinances do not allow deviations without variance findings. This change would create greater flexibility in planned districts through the use of a Planned Development Permit. Through use of the affordable housing expedite program, Planned Development Permits are allowed in all planned districts, enabling deviations.
- g. Revise the Companion Unit regulations to reduce barriers to development of these units. In November 2000, the Land Use and Housing Committee directed the Planning Department to propose revisions to these regulations in recognition that they could be a relatively cost effective means of creating affordable housing units if some current regulatory provisions were removed. (see Program #4)

6. Companion Unit Ordinance

In accordance with state law, in 2003 the City amended its regulations to authorize companion units through a ministerial process under certain conditions. The conditions include conformance with minimum lot size, setback, parking and landscaping standards.

The current regulations allow for proposed companion units that do not meet the requirements for ministerial approval to apply for a Process 4 Planned Development Permit. The City is also in the process of establishing a ten percent ministerial density bonus for projects that build affordable housing units required by the City's Inclusionary Housing Ordinance on-site versus paying an in-lieu fee.

7. Re-examination of Public Facility Standards

In 2002, the Planning Department comprehensively updated the City's Street Design Manual which specifies standards for streets and sidewalks. The new manual adjusts the standards to implement transit and pedestrian-oriented development principles and seeks a greater balance between efficient traffic flow and an attractive and safe pedestrian environment.

In addition, the Planning Department is currently updating the Public Facilities, Services and Safety Element and Recreation Element of the General Plan. Particular attention will be given to establishing realistic and flexible standards that can provide equivalent service levels within all communities of San Diego. This approach recognizes that it is frequently infeasible for existing communities to meet all the current facility standards in

the same way they are met in developing communities. Joint use of school facilities and park and recreation facilities will be emphasized.

8. Impact Fee Re-Evaluation

The program is linked to the reexamination of public facility standards. The City recently hired a consultant to review the current impact fee system for financing public improvements. While it is unlikely that the impact fee methodology will be abolished, possible changes in the basis for setting the fees will be studied in order to reduce the cost

burden on multifamily housing in particular. The feasibility of varying fees by unit size to reduce costs for smaller more affordable units will be examined. Additional funding sources and the fiscal relationship of state and local funding sources will also be explored.

9. Master Environmental Impact Reports

Utilize Master EIRs as authorized under CEQA for Redevelopment and Specific Plans with appropriate mitigation measures clearly spelled out in the EIR. The expanded use of Master EIRs could enable environmental reviews on individual projects pursuant to the Redevelopment or Specific Plan to be completed more expeditiously.

10. Exemptions of Affordable Housing From Environmental Review

The Development Services Department shall implement the provisions of Section 21080.14 of the Public Resource Code which exempts affordable housing projects of 100 units or less from CEQA if certain criteria are met.

11. Community Planning Group Training Program

The Planning Department shall incorporate in its annual training program for members of community planning groups more emphasis on the need for affordable housing, its relationship to economic growth and other planning objectives, and their roles in helping to address the City's affordable housing needs.

**IMPLEMENTATION CHART
REDUCTION OF GOVERNMENT CONSTRAINTS**

| Program | Policy | 5-Year Target | Responsible Agency | Timing | Financing | Primary Beneficiary |
|---|--|--|----------------------------|---|---|--|
| Project Management | The City shall implement measures necessary to enable development permits to be processed expeditiously in a coordinated manner | 100% Citywide implementation throughout this housing element cycle | Development Services Dept. | Ongoing | Development Services Dept. Enterprise Fund | Permit applicants including developers of Affordable Housing |
| | Average processing times for discretionary development permits shall be monitored annually | | | | | |
| | The Development Services Department shall implement a discretionary permit processing system to promote coordinated review among affected City departments, reduce processing times and create more certainty for applicants | | | | | |
| | The importance of flexibility shall be stressed by departments in the application and the interpretation of regulations to determine the best and most economical approaches to providing affordable housing while not compromising life, safety and the purpose and intent of the City's design regulations | | | | | |
| Development Permit Tracking System Development | The Development Services Department shall annually monitor its average processing times for discretionary development permits | Implement throughout this housing element cycle | Development Services Dept. | DST system completed implementation Ongoing | Development Services Dept. Enterprise Fund | Permit Applicants |
| Affordable/ In-fill Housing and Sustainable Building Expedite Program | Provide reduced processing times for projects meeting criteria to be considered Affordable/Infill projects or sustainable buildings. | Reduce processing time by 50% | Development Services Dept. | Ongoing | Development Services Dept. Enterprise Fund | Permit Applicants |
| Accessible Expedite Procedure | Consider expediting projects that provide accessibility features that go above and beyond current building code requirements. | Reduce processing time by 50% | Development Services Dept | By 2007 | Development Services Dept Enterprise Fund | People with disabilities |

IMPLEMENTATION CHART

REDUCTION OF GOVERNMENT CONSTRAINTS (continued)

| Program | Policy | 5-Year Target | Responsible Agency | Timing | Financing | Primary Beneficiary |
|---|--|---|--|-------------------------------|--|--|
| Land Development Code Changes for Housing Affordability | The Planning and Development Services Depts. shall continue to study and implement zoning and permit processing changes to further reduce housing costs and average permitting times | Implement changes by 2010 | Planning Dept. Development Services Dept. | By July 2010 | Development Services Enterprise Fund | Permit Applicants |
| Companion Unit Ordinance | Authorize companion units through ministerial process under certain conditions in accordance with state law | Streamlined and efficient processing | Planning Dept. | Ongoing | Development Services Dept. Enterprise Fund | Elderly, students, low-and moderate-income residents |
| Re-examination of Public Facility Standards | The City shall re-examine its public facility standards to determine if they can be modified to facilitate more affordable housing and equivalent service levels | Update General Plan to include flexible public facility standards | Planning Dept. | By FY 2010 | Facilities Financing Fund | Developers, low-and moderate-income households |
| Impact Fee Re-Evaluation | The City shall study the feasibility of implementing a fee structure more favorable to multifamily and smaller more affordable units | Methodology complete, implementation of revised fee system | Planning Dept. | By FY 2010 | General Fund | Developers of affordable housing |
| Exemptions of Affordable Housing Review | The City shall implement provisions of state law that exempt certain affordable housing projects from Environmental CEQA if specified criteria are met | Ongoing | Development Services Dept. | Ongoing | General Fund | Developers of affordable housing |
| Community Planning Group Training Program | The City shall educate participants in the community planning process on affordable housing objectives | Five training programs | Planning Dept. | One training program annually | General Fund | Members of Community Planning Groups |

Goal 3: Minimize governmental constraints in the development, improvement and maintenance of housing without compromising the quality of governmental review or the adequacy of consumer protection

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Goal 4

Provide affordable housing opportunities, both for low-income renters and low- to moderate-income buyers

GOAL 4

PROVIDE AFFORDABLE HOUSING OPPORTUNITIES, BOTH FOR LOW-INCOME RENTERS AND LOW- TO MODERATE-INCOME HOMEBUYERS

QUANTIFIED OBJECTIVE

Affordability for Low-Income Renters

Provide assistance in the form of rental subsidies to at least 800 additional low-income households, of whom at least 90 percent should be very low-income.

QUANTIFIED OBJECTIVE

Affordable Homeownership Opportunities

Provide homebuyer education, counseling and workshops to 500 low- or moderate-income households. Provide financial assistance to approximately 400 low- and 250 moderate-income families. Offer homeownership opportunities through land use incentive programs such as Inclusionary Housing and Density bonus to an estimated 150 low- and moderate-income households.

CHANGES TO QUANTIFIED OBJECTIVE FROM PREVIOUS HOUSING ELEMENT

This Housing Element retains the dual objectives expressed in the previous Element of focusing on rental assistance and on first-time homebuyer opportunities and assistance. However, the quantified objectives have been changed to reflect the resources anticipated to be available. Resources from the federal government have decreased significantly during the past few years.

For this Housing Element, the quantified objective pertaining to rental assistance remains at 800. This includes rental assistance from Section 8 certificates and vouchers, HOME tenant based rental assistance, Shelter Plus Care and HOPWA.

The quantified objectives for Homeownership include an objective for education, counseling, and workshops, as well as financial assistance for low- or moderate-income first-time homebuyers. The objectives have been revised to include homeownership opportunities provided through land use incentive programs in addition to education and financial assistance.

The objective for homebuyer education has been reduced from 12,000 households assisted to 500 households assisted. The objective for financial assistance to first-time homebuyers has been reduced from 1,800 households to 650. This objective is subdivided by income to reflect 400 low-income and 250 moderate-income homebuyers. The price of housing in San Diego has increased rapidly during the past five years to a point that homeownership is no longer obtainable for most low- to moderate-income families. The average amount of financial assistance needed to help with the purchase of a home for people in these income

groups has increased from \$25,000 or \$30,000 five years ago to \$100,000 to \$150,000 in 2004. The available housing stock that meets maximum program guidelines is minimal and limited primarily to condominium conversion projects.

POLICIES

1. The City shall aggressively pursue all federal, state and local resources available to provide financial assistance, education, and related services to low-income renters and first-time homebuyers.
2. The City shall promote alternative forms of housing which offer opportunities for economies of scale and shared facilities and services. Such housing can be particularly appealing to single parents and families where both parents have full-time jobs. Both single parents and two-income parents are becoming increasingly dominant household types.
3. The City shall recognize the benefits of encouraging physically and financially able elderly persons to “age in place.”
4. The City shall recognize the benefits of emphasizing affordable housing for people with disabilities and special needs.
5. The City shall consider the impact on housing affordability of all proposed regulatory changes, fee changes and policy changes, and shall consider means of mitigating adverse impacts which are identified.
6. To the extent feasible, the City shall preserve the affordability of existing mobile home parks for low-income owners of mobile homes.
7. The City shall provide support to not-for-profit development corporations for development of affordable housing. Such support shall include technical training and assistance to develop capacity for housing development and financial assistance for housing development directly.
8. The City shall support not-for-profit mechanisms in providing both homeownership and rental housing opportunities for low-income households.
9. The City shall encourage lenders to meet their Community Reinvestment Act obligations through participation in public and not-for-profit affordable housing projects and programs to encourage home ownership opportunities for low- and moderate-income families.
10. To the extent consistent with yield and security considerations, the City shall encourage public agencies to deposit public funds in lending institutions which make a higher than average proportion of their loans to mortgage-deficient residential areas.

11. The City shall promote non-traditional development projects to the lending community. Examples of such projects may include mixed-use or mixed-income developments, housing with reduced parking requirements, higher-density developments, live-work housing and transit-oriented developments and developments with enhanced accessibility beyond that which is required.
12. The City shall consider alternative strategies for leveraging public dollars allocated for affordable housing to generate maximum external revenues in order to make expand the Housing Trust Fund and other public affordable housing resources.
13. The City shall enforce all federal, state and local ordinances or regulations pertaining to land use incentives which promote affordable housing opportunities for low- and moderate-income homebuyers, such as inclusionary housing and density bonus.
14. The City shall seek a balance between allowing condominium conversions, which increase relatively affordable home buying opportunities and protecting the low-income renters who could be displaced by condominium conversions.

PROGRAMS

1. Section 8 Housing Choice Voucher Program

The Section 8 program has faced a nationwide funding deficit that impacted its ability to serve families at past levels. Due to FY 2005 federal cuts, it is anticipated that HUD will propose new program guidelines and regulatory relief to offset funding shortfalls. No formula has yet been established to determine the funding allocations. The City of San Diego has 12,289 vouchers allocated. The regulations of this program target the funds to assist extremely low-income families. Seventy-five percent of program participants must be extremely low-income, earning 30 percent or less of AMI.

2. Supportive Housing Program

Each year the City facilitates the participation of homeless service provider applications to HUD for the City's share of the Supportive Housing Program grants. The agencies receive \$8-9 million annually. This program is funded by the HUD and is designed to promote the development of supportive housing and supportive services to assist homeless persons, including people with disabilities and other special needs, in the transition to independent living. Supportive housing includes transitional beds, individual housing units and community living environments. Supportive services include case management, therapy, childcare, education and job training. As of FY 98, the program was funding 350 beds and was serving approximately 850 people annually, due to turnover. Annual funding levels from HUD are unpredictable, however for this Housing Element, it is assumed that funding levels will permit the provision of approximately 300-400 beds annually.

3. Housing Opportunities for People with AIDS (HOPWA)

This program is funded by HUD. HOPWA provides homeless and non-homeless persons with assistance through rental assistance, group home living, provides permanent housing opportunities through acquisition/rehabilitation of housing units, and supportive services. Based on current and anticipated levels of funding from HUD, the county anticipates that approximately 80 households will receive rental assistance during FY 2005 and 80 households will receive rental assistance during subsequent years until FY 2010. The county also anticipates that approximately 365 households will be assisted through group home living during FY 2005 and in subsequent years through 2010. Projections also indicate that approximately 84 households per year will be assisted in obtaining permanent housing units during this housing element cycle.

4. Shelter Plus Care (SPC)

This program is funded by the federal government (HUD) and provides disabled homeless persons with supportive housing. The Housing Commission receives funding for rental assistance and contracts with nonprofit agencies to provide the housing for homeless disabled individuals and families. The agencies provide specific services to their clients to help individuals and families to maintain their housing and to live independently. Based on current and anticipated funding levels, this program will provide approximately 40 households with rental assistance annually.

5. Existing Public Housing

The Housing Commission will maintain occupancy of the 1,782 public housing and other units which the Housing Commission owns and manages. These units are guaranteed affordable since no more than 30 percent of household income can be spent for rent plus utilities. These units will be occupied primarily by very low-income households.

6. First-Time Home Buyers Education, Counseling, Training and Workshops

These services will be offered by Community Housing Works, a nonprofit consumer credit counselor. The target group will be existing tenants of rental properties that are being converted to condominiums. It is estimated that up to 15,000 rental units will be converted to condominiums over the next five years. All the tenants will be invited to attend a homebuyer education workshop. However, it is estimated that only ten percent of the households or 500 families will attend a workshop during this Housing Element cycle.

The City of San Diego has approximately ten HUD approved nonprofit housing counseling agencies. These agencies provide homebuyer classes that educate people regarding budgeting, credit, mortgage loans, home maintenance and other steps in the homeownership process. It is estimated that over 3,750 families will benefit from the services provided by these agencies over the next five years.

7. Financial Assistance to First-Time Home Buyers

Assistance to first-time home buyers will be provided through a variety of local, state and federal resources including the Housing Trust Fund, Proposition 46 CalHome funds, local Housing Commission funds, Mortgage Credit Certificates, redevelopment funds, HOME funds and conventional loans. These resources will be utilized to assist approximately 400 low-income and 250 moderate-income first-time homebuyers in purchasing homes. The assistance includes deferred second mortgages, down payment/closing cost assistance grants, tax credits and conventional loans.

8. Relocation/Eviction Assistance

A program offered by the county of San Diego Department of Social Services provides financial assistance to welfare recipients when eviction from rental housing for nonpayment of rent is imminent. The program provides coverage for moving expenses up to a maximum of \$300. The program is available only to SSI/SSP recipients whose available liquid assets do not exceed \$300.

9. Shared Housing for the Elderly

The Housing Commission will continue to provide financial support for an agency to provide shared housing for the elderly. The agency will match elderly residents with low-income persons to share a housing unit in order to reduce living expenses for one or both and to facilitate assistance to the elderly resident to “age in place.” The goal is to provide approximately 350 matches during the next five years.

10. Housing Affordability Impact Statements

Currently, the Planning and Development Review Department and Housing Commission provide an Affordable Housing Impact Statement in planning reports which address policies, regulations, fees, or development projects which involve a plan amendment or rezoning. The statement is intended to convey to decision makers the effect of a proposal on achieving or maintaining affordable housing. The Department and Housing Commission will continue to provide this statement in planning reports as a means of promoting awareness of impacts of public actions on affordable housing objectives.

11. Mobile Home Relocation Policy

The City of San Diego’s Municipal Code requires relocation of mobile home park residents being displaced due to the discontinuance of a mobile home park or mobile home space. The San Diego Housing Commission will work with the City of San Diego to ensure that the tenant relocation provisions of San Diego Municipal Code Chapter 14, Article 3, Division 6 are met.

12. Mobile Home Mediation/Communication Program

A mobile home mediation and communication program is funded by the Housing Commission to provide mediation services to mobile home and mobile home park owners. The Housing Commission hires an agency to provide conflict resolution and mediation services and to facilitate a Mobile Home Community Issues Committee (MHCIC). This Committee which meets quarterly discusses issues of interest to the mobile home park community and hears issues which cannot be resolved through mediation, or where one or both parties choose not to use mediation.

13. Community Reinvestment Act

The Housing Commission shall work in concert with the county of San Diego to continue to fund the City-County Reinvestment Task Force. The Reinvestment Task Force is responsible for (1) monitoring banking practices in the San Diego region and (2) developing strategies for reinvestment in partnership with public, community and private lending institutions. The Reinvestment Task Force has completed a comprehensive credit need assessment to assess the impacts of numerous bank mergers and closures in the San Diego region during the 1990s. Based on the credit assessment, the Task Force has established as a goal the creation of more than \$100 million in new funds, primarily for new community reinvestment efforts. Nearly all of these monies would be private sector investment and loans for low-income communities and organizations involved in addressing these concerns. Approximately 40 percent of the \$100 million in new reinvestment would be targeted for affordable housing development.

14. Housing Trust Fund

The Housing Commission shall maximize leverage of public dollars to maximize the generation of private dollars. A leveraging ratio of 2:1 for public dollars is required in accordance with the San Diego Municipal Code.

The Housing Commission will pursue funding for expansion of the Housing Trust Fund. Currently, the primary source of funding is a linkage fee levied on nonresidential development. The fee varies from \$0.27 - \$1.06 per square foot, depending on the type of nonresidential development involved. This level represents a 50 percent reduction, from the original level in 1991. Pursuant to direction from the City Council, the Housing Commission shall ask the Council to restore the original level of this fee or identify alternative sources of revenue to compensate for the reduction. Annual revenues generated have varied from \$1.4 million to about \$5.9 million, depending on economic conditions.

15. Shared Risk Loan Pool

The City-County Reinvestment Task Force shall encourage banks and Savings and Loan institutions to utilize existing loan pools operated through the California Community Reinvestment Corporation (CCRC) and the Savings Association Mortgage Company

(SAMCO) to provide loans for affordable housing and nontraditional development projects. Possible examples of such projects could include mixed-use or mixed-income developments, projects with reduced parking requirements, higher-density developments, housing for people with disabilities and other special needs which lenders may perceive as having a higher risk than more traditional types of developments.

16. Condominium Conversion Relocation Assistance Policy

Currently, when rental vacancy rates are below seven percent, tenants of units undergoing conversion who earn less than the AMI, receive a relocation payment equivalent to three months rent. This can be used to cover moving and relocation costs, for a down payment to purchase the unit undergoing conversion, or for other purposes. The City Council is currently considering expanding this relocation assistance to cover all tenants displaced by conversions, regardless of their incomes.

17. Condominium Conversion Good Neighbor Policy

The City Council is considering adopting a policy that would require that rental properties seeking a condominium map to allow conversion of units to condominiums meet good neighbor standards that would be established addressing parking, landscaping and structural, electrical and mechanical components. This policy would require a building conditions report which would identify aspects of the buildings and grounds that need to be upgraded to achieve “good neighbor” standards.

**IMPLEMENTATION CHART
HOUSING AFFORDABILITY**

| Program | Policy | 5-Year Target | Responsible Agency | Timing | Financing | Primary Beneficiary |
|--|--|---|---------------------------|---------------|--|---|
| Rental Assistance | Take maximum advantage of all federal state and local resources available to provide financial assistance, counseling and related services to low-income renters and first-time homebuyers | | | | | |
| | Section 8 Certificates/Vouchers | Households: 500 | Housing Commission | 100/year | HUD | Very low-income household |
| | HOPWA | Households: 400 | SD County | 80/year | HUD | Homeless, people with AIDS |
| | Shelter+Care | Units: 200 | Housing Commission | 40/year | HUD | Disabled and homeless people |
| Existing Public Housing | Same As Above Policy | Maintain occupancy of 1,782 units | Housing Commission | Ongoing | HUD | Very low-income household |
| Financial & Counseling Assistance to First-time Homebuyers | Same As Above Policy | Homebuyer education for 500 households | Community Housing Works | 100/year | Private | Low- and moderate-income household |
| | | Financial assistance to at least 650 households | Housing Commission | 130/year | HOME, Hsg Trust Fd HUD, Mortgage Loans | Low- and moderate-income household |
| Relocation/ Eviction Assistance | Same As Above Policy | Assistance to at least 125 households | SD County | 25/year | State HUD | Low- and very low-income rental household |
| Supportive Housing | The City shall recognize the benefits of emphasizing affordable housing for people with disabilities and special needs | 300-400 beds/year | | | | |

IMPLEMENTATION CHART
HOUSING AFFORDABILITY (continued)

| Program | Policy | 5-Year Target | Responsible Agency | Timing | Financing | Primary Beneficiary |
|---|--|--|--|---------------|---|--|
| Shared Housing for the Elderly | Recognize the benefits of encouraging physically and financially able elderly to “age in place” | Matches: 350 | Elder Help | 70/year | Housing Commission | Low- and very low-income Elderly |
| Housing Affordability Impact Statement | Consider the impact on housing affordability of all regulatory and fee changes, policies and development projects, and ways of mitigating adverse impact | Impact Statement in City Staff Reports as required | Planning Dept. | Ongoing | General Fund | Low- and moderate-income household |
| Mobile Home Relocation Policy | The City will require that the tenant relocation provisions of SD Muni. Code Chapter 14, Article 3, Division 6 be met | As needed | Housing Commission | Ongoing | Housing Commission | Mobile home park residents |
| Mobile Home Mediation/ Communication Ordinance | Same As Above Policy | As Needed | Housing Commission | Ongoing | Housing Commission | Mobile home owners Mobile home park owner |
| Assistance to Not-For-Profit Development Corporations | Provide technical and financial assistance to not-for-profit corporations to assist them in providing both homeownership and rental housing opportunities for low and very-low income households | 1000 new or rehabbed units | Housing Commission, LISC, Calif.Hsng Partnership SD Community Foundation | 200 per year | Housing Trust Fund CDBG State Funds Charitable Contributions | Low- and very low- income households |
| Community Reinvestment Act | The City shall encourage lenders to meet their Community Reinvestment Act obligations through participation in public and not-for-profit affordable housing projects and programs to encourage homeownership | Annual monitoring of lending institutions in CRA obligations | City-County Reinvestment Task Force Housing Commission | Annual Report | Housing Commission General Fund | Low- and very low-income household |
| Community Reinvestment | To the extent consistent with yield and security considerations, the City shall encourage public agencies to | | | | | |

IMPLEMENTATION CHART
HOUSING AFFORDABILITY (continued)

| Program | Policy | 5-Year Target | Responsible Agency | Timing | Financing | Primary Beneficiary |
|--|---|--|--|----------------|--|---|
| Act (cont.) | deposit public funds in lending institutions which Make a higher than average proportion of their loans to mortgage-deficient residential areas | | | | | |
| Housing Trust Fund | The City shall consider alternative strategies for leveraging public dollars allocated for affordable housing to generate maximum external revenues in order to make expand the HTF and Other public affordable housing resources | Identify additional funding sources | Housing Commission City of SD Council | Ongoing | Secondary Mortgage Markets Loan Pools | Low- and very low-income household |
| Shared Risk Loan Pool | The City shall promote non- traditional development projects to the lending community | Units: 250 | SAMCO CCRC Lending Institutions | 50/year | Conventional Pooled Funds | Low- and very low-income household |
| Condominium Conversion Relocation Policy | Tenants who are displaced due to conversion of rental units to condominiums will receive the equivalent of three months rent as a relocation payment | Target is to assist all rental tenants displaced by condominium conversions | Housing Commission | Ongoing | Condominium conversion applicants | Tenants displaced by condominium conversions |
| <u>Condominium Conversion Good Neighbor Policy</u> | <u>Units undergoing conversion from rentals to condominiums shall meet good neighbor standards prior to conversion</u> | <u>Target is for all units undergoing conversion to meet good neighbor standards</u> | <u>Development Services Department</u> | <u>Ongoing</u> | <u>Condominium conversion applicants</u> | <u>Buyers of units being converted to condominiums. Residents of neighborhoods where converted buildings are locate</u> |

Goal 4: Significantly increase the number of affordable housing opportunities, both for low-income renters and first-time homebuyers



Goal 5

Facilitate compliance with all applicable federal, state and local laws and regulations; promote achievement of balanced community goals; promote conservation of nonrenewable energy resources; and promote consistency with the remainder of the General Plan and other major citywide planning efforts

GOAL 5

FACILITATE COMPLIANCE WITH ALL APPLICABLE FEDERAL, STATE AND LOCAL LAWS AND REGULATIONS; PROMOTE ACHIEVEMENT OF BALANCED COMMUNITY GOALS; PROMOTE CONSERVATION OF NONRENEWABLE ENERGY RESOURCES; AND PROMOTE CONSISTENCY WITH THE REMAINDER OF THE GENERAL PLAN AND OTHER MAJOR CITYWIDE PLANNING EFFORTS

QUANTIFIED OBJECTIVE

Affordable Housing Goals and Community Balance

A minimum of ten percent of all new units built in communities throughout the City should be affordable to low- and very low-income residents or for moderate-income homebuyers. A minimum of 20 percent of all units built in those portions of the North City, where a 20 percent inclusionary housing requirement has been adopted, should be affordable to low- and very low-income residents or for moderate-income homebuyers.

CHANGES TO QUANTIFIED OBJECTIVE FROM PREVIOUS HOUSING ELEMENT

In Previous Housing Elements the City established fair share goals for a variety of affordable housing programs by community planning area. This strategy did not prove to be successful because there was no available means of enforcement and was dropped during the FY 1999-2004 Housing Element cycle. In 2002, the City of San Diego decided to implement a citywide Inclusionary Housing Policy. This policy requires that all housing developers either construct affordable housing on the site of market rate housing, in the same community planning area as the market rate housing or to pay an in-lieu fee to be used to construct housing or provide other types of housing assistance as close as possible to the location of the market rate housing. The City determined that this inclusionary housing policy is the best available method of assuring that affordable housing opportunities are distributed as widely as possible throughout the City. In certain newly developing portions of the North City, formerly designated as Future Urbanizing Areas, a more ambitious 20 percent inclusionary requirement has been adopted. The North City is the area of San Diego with the greatest imbalance between jobs and affordable housing so a more ambitious goal is appropriate for that area.

COMMUNITY BALANCE

The term “community balance” typically refers to the distribution of the population with respect to income level and race and ethnicity. The intent of community balance is to achieve a diversity of population with respect to income, race and ethnicity throughout the City and to avoid over concentrations of any one population group in any particular community. As used in the Housing Element, the term “community balance” refers primarily to diversity with respect to income. San Diego has adopted Council Policy 600-19 to promote balanced communities but it dates to 1972 and has not been updated.

Although difficult to achieve because of disparities in housing costs throughout the City, community balance is a worthy goal. Achievement of better community balance with respect to income has potential implications for reduction of trips and traffic congestion and improvement of air quality if there is an opportunity for all income groups to live in proximity to employment.

In accordance with the City's Balanced Communities Policy, housing assistance will be provided throughout the City. Homeownership activities, preservation of "at-risk" affordable housing, rehabilitation of owner-occupied housing and rental housing, and mixed-income rental housing acquisition and development will occur in all areas exhibiting need (subject to program guidelines).

The City will pursue development or acquisition of affordable multifamily rental housing (units are income and rent restricted) in areas with a low to moderate concentration of low-income households (0-60.9 percent of the population are low income) as a priority. Development in those areas with a concentration of 61 percent or more low-income households will be supported under limited circumstances such as strong community support, elimination of blight, creation (new construction) of new affordable housing in redevelopment areas, or as part of the developer's Inclusionary Housing requirement.

AFFORDABLE HOUSING GOALS

Table 6 summarizes the extent to which various methods of increasing the supply of affordable housing were used during the 1999-2004 Housing Element cycle in the Urbanized, Planned Urbanizing and Future Urbanizing portions of the City. It should be noted that these three categories of community were established in the 1970s and are now somewhat outdated. Areas formerly designated as Future Urbanizing Areas are now being developed while the areas designated as planned urbanizing are now largely developed. Most redevelopment is occurring in the areas designated as urbanized. These categories will be revised and updated in the General Plan Land Use Element, which is currently being prepared. **Table 6** indicates that rental subsidies and rehabilitation were the tools that assisted the most people during the past several years.

Table 6 indicates that nearly 550 new units were constructed in the former Future Urbanizing Area during the period from July 1, 1998 - December 31, 2004. An additional 119 units will be completed during the first half of calendar year 2005 and approximately 600 more units are projected to be completed during the FY 2005-2010 Housing Element cycle.

**TABLE 6
USE OF AFFORDABLE HOUSING TOOLS BY PHASED DEVELOPMENT AREA
7/1/98 - 12/31/04**

| Tool⁶ | Phased Development Area | Units | Percent of City Total |
|-------------------------------|--------------------------------|--------------|------------------------------|
| New Construction | Urbanized | 1,325 | 65% |
| | Planned Urbanizing | 178 | 9% |
| | Future Urbanizing | 544 | 27% |
| | Total | 2,047 | |
| Homebuyer Assistance | Urbanized | 622 | 70% |
| | Planned Urbanizing | 207 | 23% |
| | Future Urbanizing | 62 | 7% |
| | Total | 891 | |
| Acquisition/Rehabilitation | Urbanized | 2,867 | 83% |
| | Planned Urbanizing | 595 | 17% |
| | Future Urbanizing | 0 | 0 |
| | Total | 3,462 | |
| Owner-Occupied Rehabilitation | Urbanized | 1765 | 95% |
| | Planned Urbanized | 93 | 5% |
| | Future Urbanized | 0 | 0 |
| | Total | 1,858 | |
| Rental Subsidies | Urbanized | 3,584 | 84% |
| | Planned Urbanizing | 602 | 14% |
| | Future Urbanizing | 89 | 2% |
| | Total | 4,275 | |

Table 7 shows the affordable housing tools that are likely to be utilized in each community planning area, based on historical patterns. The tools listed in **Table 7** are first-time homebuyer assistance, owner-occupied rehabilitation and rental subsidies. Specific numbers are not indicated; instead an “X” is placed next to those communities where these tools are likely to be used. In general, these tools will be utilized primarily in the older urbanized communities of San Diego.

Table 7 also identifies the communities where new construction of affordable units is likely to occur over the next five years. The potential number of affordable units is a projection, based on currently known projects. It is estimated that 3,668 new affordable units will be constructed in the City of San Diego over the next five years.

6. Does not include several tools shown in Table 5 of the Housing Element “Tools Used to Meet Fair Share Goals.” Tools not listed include Preservation of Affordable Housing, Military Housing, Transitional Housing, and Shared Housing

**TABLE 7
AFFORDABLE HOUSING TOOLS LIKELY
TO BE USED IN SPECIFIC COMMUNITIES**

| Community | First Time Homebuyer Assistance | Rehab | Rental Subsidies | New Construction |
|-----------------------|--|--------------|-----------------------------|-----------------------------|
| Barrio Logan | X | X | X | |
| Black Mountain Ranch | | | | 204 |
| Carmel Mountain Ranch | X | | | |
| Carmel Valley | X | | | |
| Centre City | X | X | X | 230 |
| City Heights | X | X | X | 496 |
| Clairemont Mesa | X | X | X | |
| College Area | X | X | X | 450 |
| Del Mar Mesa | | | | |
| East Elliott | | | | |
| Eastern | X | X | X | |
| Fairbanks Ranch | | | | |
| Golden Hill | X | X | X | 53 |
| Kearny Mesa | X | X | X | |
| Kensington-Talmadge | X | | X | |
| La Jolla | | | | |
| Linda Vista | X | X | X | 18 |
| Midway | X | X | X | 73 |
| Mira Mesa | X | X | X | |
| Miramar MCAS | | | | 1,600 |
| Miramar Ranch North | X | | | |
| Mission Bay | | | | |
| Mission Beach | | | | |
| Mission Hills | | | | 8 |
| Mission Valley | X | | | |
| Navajo | X | | X | |
| Normal Heights | X | X | X | |
| North Park | X | X | X | 267 |
| Ocean Beach | | | X | |
| Old San Diego | | X | X | |
| Otay Mesa | X | X | | |
| Otay Mesa-Nestor | X | X | X | 50 |
| Pacific Beach | X | | X | 16 |

**TABLE 7
AFFORDABLE HOUSING TOOLS LIKELY
TO BE USED IN SPECIFIC COMMUNITIES (continued)**

| Community | First Time Homebuyer Assistance | Rehab | Rental Subsidies | New Construction |
|--------------------------|--|--------------|-----------------------------|-----------------------------|
| Pacific Highlands Ranch | | | | 168 |
| Peninsula | | | X | |
| Rancho Bernardo | X | | X | |
| Rancho Encantada | | | | 106 |
| Rancho Penasquitos | X | | X | |
| Sabre Springs | X | | | |
| San Pasqual | | | | |
| San Ysidro | X | X | X | 62 |
| Scripps Miramar Ranch | X | | | 105 |
| Serra Mesa | X | X | X | |
| Skyline-Paradise Hills | X | X | X | |
| Southeastern Communities | X | X | X | 731 |
| Tierrasanta | | | | |
| Tijuana River Valley | X | X | X | |
| Torrey Highlands | | | | 123 |
| Torrey Pines | | | | |
| University | X | | X | |
| Uptown | X | | X | 30 |
| Via de la Valle | | | | |
| Total | | | | 5,268 |

Note: The total of 5,268 in Table 7 includes 3,668 affordable units anticipated from programs administered by the Housing Commission and 1,600 units anticipated to be constructed within five years on the Miramar Marine Corps Station

POLICIES

1. The City shall seek attainment of community balance with respect to utilization of affordable housing resources. Available tools include new construction, acquisition, first-time homebuyer assistance, rehabilitation, maintenance, and rental subsidies. Different tools will be emphasized in different communities, depending on their needs and the objectives and policies specified in the applicable community plan.
2. An inclusionary housing requirement will be in effect throughout the City to help ensure that affordable housing opportunities are spread throughout the City.

3. Each community plan, action plan, or other similar community-oriented planning document shall include a section addressing affordable housing which addresses the community's affordable housing needs and identifies appropriate policies and programs to achieve the goal, based on the Housing Element and any future policies identified in the Strategic Framework Element. Community plan updates shall also include a projection of future employment opportunities anticipated for low-income persons and its relationship to affordable housing needs.
4. The City's highest housing priority is to provide housing for very low- and low-income families and special needs populations. A secondary priority is to provide housing opportunities for moderate-income households including first-time home buying opportunities.
5. The City shall seek to locate higher-density housing principally along transit corridors, near employment opportunities and in proximity to village areas identified elsewhere in the General Plan.
6. The City shall provide incentives for mixed-use development which include housing, retail and office uses at transit nodes and other high intensity locations as appropriate.
7. The City shall update and strengthen Council Policy 600-19 (Balanced Communities) by incorporating the above referenced policies in order to move closer toward the achievement of economically and racially balanced communities throughout the City.
8. The City shall promote the dispersal of affordable housing opportunities throughout the City by encouraging mixed-income developments through a variety of programs and by encouraging the dispersal of rental subsidies.
9. The City shall provide a range of regulatory tools to adequately implement the goals of adopted community plans.

PROGRAMS

1. Inclusionary Housing Program

The City of San Diego has established a citywide inclusionary housing program. The program requires that new housing developments in most parts of the City must provide ten percent of the units at a rent affordable to residents earning 65 percent or less of AMI or at a price affordable to owners earning 100 percent or less of AMI. There is an option to pay an in-lieu fee rather than building the affordable units on-site. The City uses the in-lieu fees to provide affordable housing opportunities. Housing priced at a level affordable to families earning under 150 percent of AMI is exempt from this requirement. In some newly developing parts of the North City where large-scale development is occurring, 20 percent of new units must be affordable and no in-lieu fee option is available.

2. On-Site Building Bonus

The Planning Department and Housing Commission will recommend City adoption of a ten percent ministerial density bonus, to be called an On-Site Building Bonus, that would be granted to developers who agree to build their required inclusionary housing units on-site rather than paying an in-lieu fee. This would be an important incentive to encourage construction of affordable units in the near future.

3. Implementation of Community Plan Density Ranges

The Planning Department and Development Services department will utilize the discretionary review process to ensure that the density of proposed housing corresponds with the density ranges in adopted community plans to produce expected housing yields. Higher-density housing should be located primarily along transit corridors, in and near villages identified in the General Plan and near employment opportunities.

4. Balanced Communities Policy

Council Policy 600-19 was adopted by the City Council in 1972 to express the Council's policy on providing housing for low- and moderate-income households on a decentralized basis without discrimination throughout the City. This policy will be updated to reflect the policies and programs on community balance in this Housing Element and to affirm the City's commitment to Balanced Communities. Alternatively, the policy may simply be incorporated into this Housing Element by a future amendment.

5. Transit Oriented Development (TOD) Program

This program is intended to devise policies and proposals to achieve an urban form which reduces dependence on the automobile and promotes a more transit- and pedestrian-oriented environment. It is anticipated that the program will propose specific actions to promote a more efficient land use and transportation pattern.

A primary objective of the TOD Program is to promote developments with concentrations of moderate and higher-density housing in conjunction with public parks and plazas, office and commercial facilities in mixed-use developments located at strategic points on the existing and planned transit system. Transit-oriented developments will facilitate achievement of community affordable housing goals by facilitating higher-density development in concert with supporting infrastructure and amenities.

A primary means of implementing transit-oriented development will be the City of Villages strategy through the General Plan. TOD guidelines are being incorporated in the City's General Plan and will be applied to village locations identified in the General Plan and eventually in individual community plans. Villages are envisioned as focused centers where housing, employment, commercial and civic/educational uses can coexist and are connected to create a cohesive whole. Transit will be integral to implementing the village concept.

IMPLEMENTATION CHART
AFFORDABLE HOUSING GOALS AND COMMUNITY BALANCE

| Program | Policy | 5-Year Target | Responsible Agency | Timing | Financing | Primary Beneficiary |
|---|---|--|---|---|----------------------------|---|
| Inclusionary Housing | Require that 10 or 20% of units be affordable to low- and/or moderate-income residents or payment of an in-lieu fee | 10% of housing stock built between 2005-2010 should be affordable to low- and/or moderate-income residents | Housing Comm. Planning Dept. Development Services Dept. | Ongoing | Housing Comm. | Low- and middle-income households |
| On-Site Building bonus | Provide a 10% ministerial bonus to projects that build required inclusionary units on-site rather than paying the in-lieu fee | 1,000 units | Housing Comm. Planning Dept. Development Services Dept. | Adoption in FY 06 | Private | Low- and middle-income households |
| Implementation of Community Plan Density Ranges | Ensure that new developments adhere to housing density ranges in community plans | All discretionary reviews | Planning Dept. Development Services Dept. | Ongoing | General Fund | Community at large Low- and moderate-income residents |
| Transit Oriented Development Program | Locate higher-density housing principally along transit corridors, near villages and in proximity to employment opportunities | Address in General Plan Land Use Element and in Community plans updated from 2005-2010 | Planning Dept | General Plan Land Use Element adoption in FY 2006 | General Fund | Community at large Low- and moderate-income residents |
| Update Council Policy 600-19 | Update and strengthen Balanced Communities Policy to incorporate other community balance policies and programs in Housing Element in order to move closer toward economically and racially balanced communities throughout the City | Amended policy Propose amended policy | Housing Comm. Planning Dept | By FY 2007 | Housing Comm. General Fund | Low-Income Households |

Goal 5: Facilitate compliance with all applicable federal, state, and local laws and regulations; promote achievement of fair share housing goals; promote conservation of non-renewable energy resources; and promote consistency with the remainder of the General Plan and other major citywide planning efforts

QUANTIFIED OBJECTIVE

Use of Redevelopment Agency Low- and Moderate-Income Set-Aside Fund

Provide housing assistance to at least 3,000 very low-, low- and moderate-income households during the next five years. Such assistance can be in the form of new or rehabilitated housing units and can also include provision of additional transitional shelter facilities.

CHANGES TO QUANTIFIED OBJECTIVE FROM PREVIOUS HOUSING ELEMENT

It is anticipated that the Redevelopment Agency Set-Aside Fund will generate approximately \$13 million annually or approximately \$65 million over the full five-year Housing Element cycle. Approximately \$50 million of these monies will be generated by Centre City redevelopment activity. The remaining \$15 million will be generated by the Southeastern Economic Development Corporation and the ten redevelopment project areas that City of San Diego staff administers.

Based on these anticipated set-aside funds, it is projected that approximately 3,000 new or rehabilitated units for very low-, low- or moderate-income households can be provided during the 2005-2010 Housing Element cycle. This represents an increase of 1,900 units from the previous Housing Element for redevelopment activity. The objective is that of the 3,000 units, 40 percent or 1,200 units will be for very low-income households, 30 percent or 900 units will be for low-income households and 30 percent or 900 units will be for moderate-income households.

POLICIES

1. The Redevelopment Agency shall coordinate its plans and programs for the provision and preservation of affordable housing with those of other governmental and not-for-profit agencies involved in the provision of housing.
2. Each redevelopment project area contains a unique set of housing needs and redevelopment law provides for a broad range of allowable housing activities. The Redevelopment Agency shall evaluate the needs for very low-, low- and moderate-income housing within a redevelopment project area and shall program housing activities to meet the needs of the project area. The Agency's goal shall be to create balanced neighborhoods and to create new low-income housing and retain and improve existing low-income housing within a redevelopment project area. Set-aside funds may be used outside of a redevelopment project area when the housing will be of benefit to the project area.

While set-aside funds will primarily be utilized to assist low- and very low-income households, the Redevelopment Agency anticipates that it will also be necessary to subsidize housing affordable to median-income households in order to achieve a balance of incomes in redevelopment areas which currently have a high number of low-income households.

3. The Redevelopment Agency shall ensure that set-aside funds are spent in a timely manner and in accordance with California Redevelopment Law.
4. In order to increase the impact of housing set-aside funds, the Redevelopment Agency shall seek to leverage these funds to the maximum extent possible, with other private, local, state and federal dollars available for such purposes. Furthermore, administrative expenditures should be a reasonable proportion of total amounts budgeted for housing projects and programs to ensure the maximum flow of funds to affordable housing projects.
5. The Redevelopment Agency should ensure the preservation of affordable units by requiring Agency assisted or constructed units to remain affordable to low-income households for a specific period of time. At a minimum, newly constructed or substantially rehabilitated rental units should remain affordable for fifty-five (55) years and for-sale units should remain affordable for forty-five years.
6. The Redevelopment Agency shall report the activities funded by the set-aside fund and the status of unexpended monies within the fund in the Agency Annual Report which is filed no later than six months after the end of the fiscal year.
7. The Redevelopment Agency shall continue to pursue a comprehensive strategy for use of redevelopment set-aside funds in conjunction with the Housing commission to develop housing for very low-, low- and moderate-income families citywide including both inside and outside the boundaries of redevelopment project areas.

PROGRAMS

1. Rental Rehabilitation

Redevelopment set-aside funds will be utilized to assist in the rehabilitation of multifamily rental housing. Based on projected set-aside funds, projects already in the pipeline and trends, approximately 175 rental units will be rehabilitated. Of these, approximately 70 units will be affordable to very low-income households, 55 will be affordable to low-income households and 50 will be affordable to moderate-income households.

2. Rental New Construction

Redevelopment set-aside funds will be utilized to subsidize the construction of rental units for low- and very low-income households. Approximately 1,950 new rental units are projected, of which approximately 800 units will be for very low-income renters, 600 units will be for low-income renters and 550 units will be for moderate-income renters.

3. Owner-Occupied Housing Rehabilitation

Redevelopment set-aside funds will be utilized to subsidize the rehabilitation of housing owned and occupied by very low-, low- and moderate-income households. Approximately 250 owner-occupied units will be rehabilitated. Of these, it is projected that approximately 50 units will be owned by very low-income owners, 150 will be owned by low-income owners and 50 will be owned by moderate-income owners.

4. For-Sale Units

Redevelopment set-aside funds will be utilized to subsidize the construction of new for-sale units for moderate-income households and first-time homebuyers. Approximately 250 moderate-income units may be assisted through this program.

5. Special Purpose Housing

Redevelopment set-aside funds will also be used to subsidize the construction or purchase and rehabilitation of transitional or supportive housing for low-income persons who need a stable environment or special purpose housing. Special purpose populations are those in immediate risk of becoming homeless or in need of special services and those with physical and/or mental health disabilities, chronic health problems or difficulties encountered during substance abuse recovery. Approximately 375 transitional units may be added through this funding source. Of these 280 units will be for very low-income households and 95 units will be for low-income households. These units would be part of the additional transitional housing units proposed under the New Construction Quantified Objective.

6. Affordable Housing Outside of Redevelopment Project Areas

Where a benefit to a redevelopment project area can be demonstrated, Redevelopment Set-Aside funds will be utilized to assist in the construction of new housing outside the boundaries of formally defined project area boundaries.

IMPLEMENTATION CHART

USE OF REDEVELOPMENT AGENCY LOW- AND MODERATE-INCOME SET-ASIDE FUND

| Program | Policy | 5-Year Target | Responsible Agency | Timing | Financing | Primary Beneficiary |
|---|--|--|---------------------------|----------------------|---|--|
| Rental Rehabilitation | The Redevelopment Agency shall coordinate its plans and programs for the provisions and preservation of affordable housing with those of other governmental and not-for-profit agencies involved in the provision of affordable housing | Units: 175 | Redevelopment Agency | Approx. 36 per year | Conventional Hsg. Comm. Redevelopment Agency | 70 very low-income, 55 low-income, 50 moderate-income |
| Rental New Construction | The Redevelopment Agency shall assist in financing the construction of new rental units affordable to very low-, low- and moderate-income households emphasis on housing for working families Redevelopment set-aside funds will be used to improve existing housing owned by very low- and low-income households to revitalize depressed neighborhoods | Units: 1,950 | Redevelopment Agency | Approx. 400 per year | Conventional Tax Credits/Tax-Ex. Bonds Redevelopment Agency | 800 very low income, 600 low-income, 550 moderate-income |
| Owner-occupied Housing Rehabilitation | | Units: 250 | Redevelopment Agency | Approx. 40 per year | Set-Aside Funds | 50 very low-income, 150 low-income, 50 moderate-income |
| For-Sale Units | The Redevelopment Agency shall assist in financing the construction of new condominiums, townhomes and single-family homes with purchase prices affordable to moderate-income households | Units: 250 | Redevelopment Agency | Approx. 50 per year | Conventional Redevelopment Agency | 250 moderate-income |
| Special Purpose Housing | The Redevelopment Agency will help secure funding and locations to create housing linked to supportive services for special needs populations | Units: 375 | Redevelopment Agency | Approx. 75 per year | | 280 very low-income, 95 low-income |
| Housing outside redevelopment project areas | Redevelopment set-aside funds will be used to assist in constructing new housing for families outside the boundaries of redevelopment areas where benefit can be demonstrated | Ongoing when appropriate/ cannot be quantified | Redevelopment Agency | | Redevelopment Agency Tax Credits/Tax Ex. Bonds | low- and moderate-income households |
| Total | All policies listed above | Units: 3,000 | Redevelopment Agency | Approx. 600 per year | Variety of sources listed above | 3,000 very low-, low- and moderate-income households |

Goal 5: Facilitate compliance with all applicable federal, state, and local laws and regulations; promote achievement of fair share housing goals; promote conservation of non-renewable energy resources; and promote consistency with the remainder of the General Plan and other major citywide planning efforts

QUANTIFIED OBJECTIVE

Reduction of Housing Discrimination

The City shall actively participate in an ongoing region-wide collaborative effort to improve fair housing choice and affirmatively further fair housing. The objective of this effort is to reduce impediments to addressing and eliminating discrimination identified in the recently completed Analysis of Impediments to Fair Housing Choice (AI).

CHANGES TO QUANTIFIED OBJECTIVE FROM PREVIOUS HOUSING ELEMENT

The previous Housing Element had an objective to prepare a comprehensive Analysis of Impediments to Fair Housing Choice (AI), in order to identify appropriate actions that the City might take to reduce housing discrimination. This analysis was completed in 2000 and updated in 2004-2005. The current objective is to reduce the impediments to discrimination identified in the AI to the extent possible with available resources.

BACKGROUND INFORMATION

In accordance with the Consolidated Plan submittal regulations of HUD, the City recently participated in a regional effort involving all 19 county jurisdictions to update the 2000 Analysis of Impediments to Fair Housing Choice (AI). This Analysis identified constraints to reducing discrimination based on: race or color, national origin, religion, gender, familial status (presence of children), physical or mental disability, age, sexual orientation, or marital status. The City will work to address each of the impediments identified in this AI.

Fair Housing Choice

Fair Housing Choice should be understood as...

“The ability of persons of similar incomes, who are searching similar housing units, in same housing or related markets, to have available to them the same housing choices, regardless of race, color, religion, sex, disability, familial status or national origin.”⁷

Impediments to Fair Housing Choice

An impediment to fair housing choice is...

“An action, omission or decision taken because of race, color, religion, sex, disability, familial status or national origin, that restricts housing choice or the housing choices or the availability of housing choice.”⁸

An impediment is also . . .

“Any action, omission or decision that has this kind of effect. Policies, practices or procedures that appear neutral on their face, but which operate to deny or adversely affect the provision of housing to persons (in any particular protected class) may constitute such impediments.”⁹

7. U.S. Department of Housing and Urban Development Honor Advisory Letter, July 11, 1995

8. Ibid

9. Ibid

POLICIES

The City will work with its fair housing service provider (the Fair Housing Council of San Diego), as well as the Fair Housing Resource Board (formerly the Community Housing Resource Board), to address the impediments to fair housing identified below. All activities will support the City's ongoing fair housing planning process and the implementation of recommendations as outlined in the current AI:

- Lack of availability of outreach and educational materials throughout portions of the San Diego region.
- Many small property owners lack knowledge of fair housing laws and landlord rights and responsibilities.
- Discrimination against persons with disabilities has become an increasing fair housing concern and the availability of accessible housing for persons with disabilities is limited.
- Discrepancies in access to financing by different groups persist.
- Lead-based paint hazards often disproportionately affect minorities and families with children.
- Collaboration among jurisdictions and fair housing service providers in addressing service gaps needs improvement.
- Inconsistent tracking of fair housing data makes comparison and trend analysis difficult.

The Fair Housing Council of San Diego offers services in the component areas of advocacy, outreach and education, technical training opportunities for housing provider, lender and insurance industries, maintenance of a fair housing discrimination investigative, intake and enforcement process and collaborations and/or linkages with other entities which further strengthen fair housing activities in the City.

The Fair Housing Council will also maintain and operate a housing mobility counseling program designed to assist families who are receiving federal housing subsidies to reach personal goals and career objectives, emphasizing housing moves to neighborhoods of choice and greater opportunity. Another objective of the housing mobility program is to encourage owners in neighborhoods of greater opportunity to rent to participant families.

PROGRAMS

1. Reduce Impediments to Fair Housing

The City will take all actions that it can to reduce the impediments to fair housing identified in the 2004-2005 update of the Analysis of Impediments to Fair Housing Choice.

2. Support of Fair Housing Organizations

The City shall continue to support the Fair Housing Council and the Fair Housing Resource Board which disseminate information about fair housing rights and responsibilities or offer related services. Where permitted by law, this support should include contracts with these organizations to carry out the City's responsibilities for fair housing outreach. Support should also include cooperation with outreach programs conducted by such groups.

3. Implementation of Council Policy 600-20

Submission of an affirmative action marketing program, as required by Council Policy 600-20, is a condition of approval attached to all tentative maps for proposed residential development. The City Manager shall review affirmative marketing programs for adequacy prior to recordation of the final maps. Voluntary signatories to the HUD/BIA master affirmative marketing agreement are exempt from this program, since the master agreement constitutes full and complete satisfaction of Council Policy 600-20. Tentative maps involving less than 20 units also are exempt.

**IMPLEMENTATION CHART
HOUSING DISCRIMINATION**

| Program | Policy | 5-Year Target | Responsible Agency | Timing | Financing | Primary Beneficiary |
|---|--|---|---|---------------|--------------------|----------------------------|
| Reduce Impediments to Fair Housing | Take actions necessary to reduce impediments to fair housing identified in 2004-2005 update of Analysis of Impediments to Fair Housing Choice | Reduce impediments to the maximum degree possible given available resources | Fair Housing Council | Ongoing | Housing Commission | Protected Classes |
| Implementation of Council Policy 600-20 | Continue implementation of Council Policy 600-20 | All Tentative Maps as required. | City Manager | FY 99-FY 2004 | General Fund | Minority Households |
| Fair Housing Assessment | The City shall assist in enforcement of fair housing laws by providing support to organizations that can receive and investigate fair housing allegations, and provide quarterly reports to the City on discrimination complaints and their resolution | Annual Funding | Fair Housing Council Fair Housing Resource Board | Annually | Housing Commission | General Public |

Goal 5: Facilitate compliance with all applicable federal, state, and local laws and regulations; promote achievement of fair share housing goals; promote conservation of non-renewable energy resources; and promote consistency with the remainder of the General Plan and other major citywide planning efforts

QUANTIFIED OBJECTIVE

Energy Conservation

Maintain the goal of reducing by two percent total utility consumption per customer, although total energy demand is expected to increase during the period due to population growth.

Water Utilities Department: Water Conservation will increase to five percent by 2010 over current levels according to the City of San Diego's Strategic Plan for Water Supply.

Promote increased energy conservation in 20 housing development projects annually by encouraging developers to exceed California Title 24 standards. As an incentive, plan check status will be expedited for sustainable housing developments per Council Policy 900-14-Sustainable Building Policy.

Encourage initiatives to increase the use of renewable resources, such as photovoltaic/solar electric systems and solar water heating, with a goal of builders/developers offering solar options in 50 percent of new single-family housing unit developments by FY 2010.

Encourage initiatives to increase the use of solar water heating in multifamily developments with a goal of increasing use of solar water heating to 50 percent of new multifamily housing unit developments by FY 2010.

CHANGES TO QUANTIFIED OBJECTIVE FROM PREVIOUS HOUSING ELEMENT

As in the previous Housing Element, the objective is defined in terms of "total energy consumption per customer." The change from "per capita" to "per customer" was made at the suggestion of the San Diego Gas and Electric Company (SDG&E) to more accurately gauge usage. One customer is equal to one gas or electric meter.

Utility consumption for the Housing Element cycle may prove more difficult to measure as utility customers now have the ability to choose their provider.

Additionally, three new goals have been added to incorporate newly adopted state energy efficiency standards and to encourage alternative energy efficient technologies such as solar electric and solar water systems.

POLICIES

1. The City shall support the SDG&E programs to promote energy conservation.
2. The City shall support the Water Utilities Department's programs to promote water conservation.
3. The City shall support state energy efficiency requirements in new housing and encourage the installation of energy saving devices in pre-1975 housing.

4. The City shall support and implement its Urban Water Management Plan and Conservation Program (Resolution R-277077) to develop a sound water storage program and promote voluntary water conservation and retrofitting of pre-1981 housing.
5. The City shall encourage and support cost-effective energy technologies with both positive economic and environmental impacts, e.g., passive solar space heating and cooling and water conservation.
6. Insofar as practical, the City shall utilize its planning processes to promote efficient land use and development patterns which conserve such resources as fuel, water and land.
7. The City shall support and encourage high performance design standards in new construction and redevelopment to promote increased energy conservation.
8. The City shall support the installation of photovoltaic/solar and solar water heating systems on new construction to promote and increase the use of renewable resources.

PROGRAMS

1. Residential Interior/Exterior Water Survey Program

The Water Utilities Department shall provide residential customers an interior and exterior water use survey of their home. This service shall include a water usage analysis including flow rates of fixtures, checking for leaks, installing water-saving devices and water efficient landscape and irrigation recommendations. A typical household benefiting from this program can reduce daily water consumption by 13 percent.

2. Ultra-Low Flush Toilet Rebate Program

The Water Utilities Department shall provide cash rebates of \$75 per installed toilet to City residents who install ultra-low flush toilets. This program, which began in 1991, is responsible for over six million gallons per day of water savings and shall provide 30,000 rebates per year through 2010.

3. San Diego Municipal Code Section 147.04

This requires that all toilets over 3.5 gallons per flush be replaced with ultra-low flush toilets. It also requires that faucets, showerheads, urinals and reverse osmosis systems be low-use compliant. Focus will be shifted from enforcement to a marketing campaign to highlight benefits of saving water and money.

4. Single-Family and Multifamily Audits

The Water Utilities Department will conduct audits on a voluntary basis with single-family and multifamily households to assist them in reducing water consumption. The audit will include retrofitting residences with water efficient devices, conducting a landscape water audit, providing specific recommendations for minimizing interior and exterior water usage, and furnishing customized landscape irrigation schedules. Approximately 2,500 City residences shall be audited annually.

5. Title 2.4-California Building Code

This state law requires phasing out older less energy efficient toilets by replacing them with toilets that use only 1.6 gallons per flush. San Diego Municipal Code Section 93.0208 also requires that faucets, showerheads, urinals and reverse osmosis systems also be low-use compliant.

6. Enhanced Public Education Program

The components of this public education program include the development of a speaker's bureau, developing and maintaining a Department and Water Conservation website, distribution of higher quality brochures and fact sheets, a media campaign that includes local news stations and radio stations, and better coordination with the San Diego County Water Authority and the Metropolitan Water District of Southern California.

7. Residential H-axis Washing Machine Rebate Program

The City of San Diego will support an SDG&E rebate program that will issue \$75 rebates for installation of H-axis washing machines. Residential H-axis washers will save approximately 5,100 gallons per year for 16 years.

8. Citywide Landscape Design Ordinance

The Planning Department will continue to implement the citywide landscape design ordinance, which encourages the use of plant materials to reduce heat island effects and requires drought tolerant plants and low-flow irrigation systems. The irrigation systems must include rain-sensing devices to shut irrigation off during rainy periods and soil sensing devices to measure the amount of moisture in the soil.

9. SDG&E Conservation Programs

The City shall continue to cooperate with SDG&E in the provision of information about their energy conservation programs.

10. Community Energy Partnership Program

The San Diego Regional Energy Office (SDREO) will partner with SDG&E to provide assistance to the City of San Diego to develop energy efficiency policies to encourage energy conservation through high performance standards in residential construction. SDREO will support the City following policy adoption to maintain program participation and success.

11. Home Energy Partnership Program

San Diego Gas and Electric Company will provide cash incentives to builders and energy support teams for exceeding Title 24 or meeting Energy Star building standards, offer design assistance and provide free training courses to enhance energy savings in homes.

12. Renewable Buy Down Program

The California Energy Commission will provide cash rebates on eligible renewable energy electric generating systems of up to \$3,500 per kilowatt or 50 percent of the eligible purchase price, whichever is less.

13. California Tax Credit

Solar systems certified by the California Energy Commission and installed with a five-year warranty are eligible to receive a tax credit equal to the lesser of 15 percent of the purchase cost of a photovoltaic or wind driven system with a generating capacity of not more than 200 kilowatts. This credit will sunset on January 1, 2011.

14. General Plan

As part of its General Plan update, the Planning and Development Review Department shall emphasize efficient land use and development patterns which conserve such resources as fuel, water and land.

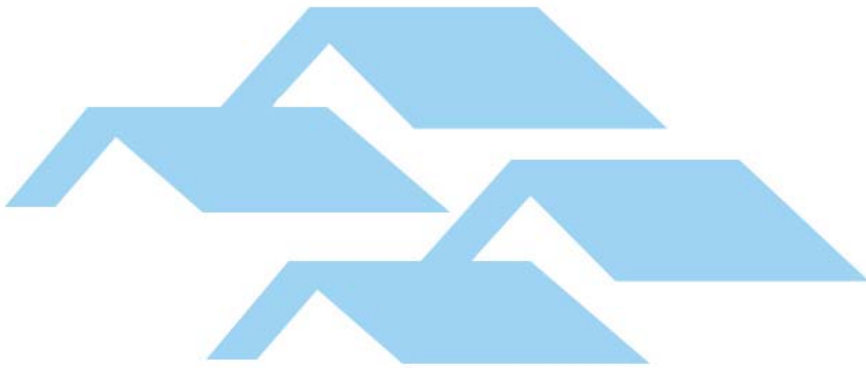
**IMPLEMENTATION CHART
ENERGY CONSERVATION**

| Program | Policy | 5-Year Target | Responsible Agency | Timing | Financing | Primary Beneficiary |
|---|---|--|--|----------------------------|-----------------------|-----------------------------|
| Residential Interior/Exterior Water Survey Program | The City shall support and implement its Urban Management and Water Conservation Program, develop a strong water conservation policy and promote voluntary water conservation and retrofitting of pre-1981 housing The City shall encourage and support cost effective energy technologies with both positive economic and environmental impacts | Ongoing | Water Utilities Department | Ongoing | Water Enterprise Fund | Residential Customers |
| Ultra-Low Flush Toilet Rebate Program | Same As Above Policy | 150,000 units | Water Utilities Department | 30,000 units annually | Water Enterprise Fund | City Water Customers |
| Single-family and multifamily audits | Same As Above Policy | 12,500 units | Water Utilities Department | 2,500 units annually | Water Enterprise Fund | Households receiving audits |
| San Diego Municipal Code Section 93.0208 and Title 2.4 California Building Code | Same As Above Policy | Ongoing | City of San Diego | Ongoing | General Fund | City Water Customers |
| Enhanced Public Education Program | Same As Above Policy | Ongoing | 3,750 units | Water Utilities Department | 750 units annually | City Water Customers |
| Residential H-axis Washing Machine Rebate Program | Same As Above Policy | 3,750 units | Water Utilities Department | 750 units annually | Water Enterprise Fund | City Water Customers |
| Citywide Landscape Design Ordinance | Same As Above Policy | Ongoing review of development plans, as required by demand | Planning Development Review Department | Ongoing | Planning Fees | Permit Applicants |

**IMPLEMENTATION CHART
ENERGY CONSERVATION (continued)**

| Program | Policy | 5-Year Target | Responsible Agency | Timing | Financing | Primary Beneficiary |
|--------------------------------------|---|----------------------|--|---------------|--|------------------------------------|
| SDG&E Conservation Programs | The City shall support the SDG&E programs to promote conservation | Ongoing | City Manager | Ongoing | General Fund | General Public |
| | The City shall support SDG&E conservation programs | | | | | |
| | The City shall support the installation of energy saving devices in pre-1975 housing | | | | | |
| Community Energy Partnership Program | The City shall support and encourage high performance standards in new construction and redevelopment to promote increased energy conservation | Ongoing | Regional Energy Office SDG&E Planning Dept Development Services Dept City Energy Coordinator | Ongoing | Regional Energy Off Funds SDG&E Funds | General Public |
| Home Energy Partnership Program | The City shall support the installation of photovoltaic/solar electric and solar water heating systems on new construction to promote and increase the use of renewable resources | Ongoing | SDG&E | Ongoing | SDG&E Funds | Developers Energy Support Teams |
| Strategic Framework Element Process | Insofar as practical, the City shall utilize its planning processes, to promote efficient land use and development patterns which conserve such resources as fuel, water and land | Ongoing | Planning and Development Review Department/Water Utilities Department | Ongoing | General Fund | General Public |

Goal 5: Facilitate compliance with all applicable federal, state, and local laws and regulations; promote achievement of fair share housing goals; promote conservation of non-renewable energy resources; and promote consistency with the remainder of the General Plan and other major citywide planning efforts



Community Profile

COMMUNITY PROFILE

POPULATION, HOUSING AND EMPLOYMENT CONDITIONS

The information provided below includes current conditions and trends related to population, housing and employment that influence housing in San Diego. Key variables that are considered include national, state and local population forecasts, household characteristics such as size and type, age, tenure (owner occupied vs. rental), condition, the extent of overcrowding, vacant units, housing costs and existing low-income housing, and employment trends.

A. Population Forecasts

1. National and State Forecasts

Housing need is affected by current supply, population growth, household formation, household income and age distribution. According to a report by the U.S. Department of Housing and Urban Development (HUD)¹⁰, the increasing number of low-income households is expected to create more “worst case needs” cases. HUD defines “worst case” housing needs as households that have incomes of less than 50 percent of the AMI and pay over half their incomes for rent or are living in severely substandard housing. This trend, if it continues, will influence the demand for different types of housing as the gap between real median-income and low-income housing stock increases.

The projected population increase at both state and national levels affects the availability of all housing types, especially those that serve special needs. California’s population is expected to increase from 34.5 million in 2000 to 45.8 million in 2020.¹¹ The U.S. population as a whole is expected to increase by 24 percent from 2000 to 2030. Changes in age structure are also expected to influence housing demand. The aging of the “baby boomers” will influence the demand for a wide variety of housing for all income groups. Nationally, the population 65 years and older will increase from 35.1 million in 2000 to 71.5 million in 2030, increasing its share of the U.S. population from 12.4 percent to 19.6 percent.

Population growth, coupled with the gradual loss of low-income housing, continues to impact housing policy and the coordination of essential related services and facilities with housing. Economic growth alone will not meet increasing housing needs at the national and state levels, especially among households with limited incomes.

California will become more ethnically diverse. In 2000, Hispanics comprised 32.4 percent of the state’s population, Whites 46.7 percent, Asian 10.9 percent and Blacks 6 percent. In comparison, by 2020 it is expected that Hispanics and Whites will each

10. U.S. Department of Housing and Urban Development, Rental Housing Assistance—The Crisis Continues: 1997 Report to Congress on Worst Case Housing Needs

11. State of California, Department of Finance, Interim County Projections. Sacramento, California, June 2001

comprise 41 percent of the state's population, Asian and others 12 percent and Blacks 6 percent. Ethnicity is correlated with household size, income and access to the housing market.

Nearly one in five Americans has some type of disability and this number can be expected to continue increasing along with the aging of the population. This will increase the demand for accessible housing.

2. Local Forecasts

San Diego's population has grown dramatically in the last 30 years. In 1970, with nearly 700,000 residents, San Diego was the third most populous city in California and fourteenth in the nation. The 2000 Census counted San Diego's population at 1,223,400 making San Diego the sixth largest in the nation. The 2000 total was an increase of ten percent since 1990 and constituted 43 percent of the region's population. Between 2000 and 2010, SANDAG's 2030 forecast projects a 12 percent increase in the City's population from 1,223,400 in 2000 to 1,370,328 by 2010. Another 21 percent increase is projected between 2010 and 2030, with the population reaching 1,656,820.

For the region, SANDAG's 2030 forecast estimates a 1.04 million population increase from 2000 to 2030, with an estimated population exceeding 3.8 million by 2030. The region is expected to increase by 14 percent between 2000 and 2010 and another 20 percent between 2010 and 2030. SANDAG's 2030 forecast projects that the overall increase of 37 percent between 2000 and 2030 will result in the need for 313,939 additional housing units.

From 1980 to 1988, net in-migration was the largest component of population increase. However, in the early 1990s, 83 percent of San Diego's population growth was due to natural increase. This shift was mainly due to the recession of the early 1990s which significantly slowed local employment growth. SANDAG's 2030 forecast projects that natural increase will continue to be the primary component of population growth (about two-thirds), while net in-migration will account for the remaining growth.

Between 1960 and 1989, household formation outpaced population growth by a wide margin. Between 1980 and 1990, this gap shrank considerably and by 1998, population growth had outpaced the rate of household formation. This reflects that during the 1980s, housing costs were high in proportion to income, resulting in postponed or deferred new household formations and in decisions to "double up." During the early 1990s, the population continued to grow, albeit at a slower rate than during the 1980s, while the rate of new household formations continued to slow as the rate of new housing construction also slowed. This dampened new household formations and caused more households to share housing units or "doubling up." "Doubling up" places more physical stress on housing units, leading to higher maintenance costs.

San Diego's extremely tight real estate market has resulted in the rapid growth in condo conversion, whereby whole rental apartment complexes are converted into for-sale condominium units. According to the Development Services Department, from 1999 to January 2004, 193 conversion projects were submitted, for a total of 2,275 units. From February 2004 through May 2005, however, more than 330 more condo conversion projects were submitted to the department, representing at least 10,000 units. These conversions have been touted by some as a way to solve the City's severe shortage of moderate-income homes. Affordable housing advocates, however, believe that the trend only exacerbates the housing problem for lower-income renters, as an apartment complex's renting occupants are usually unable to afford to buy the resulting condominiums after conversion.

B. Population Characteristics

1. Age

Age is an important demographic factor for analyzing future housing needs and preferences of different age groups. According to SANDAG's 2030 forecast, the region's median age is expected to rise by 17 percent from 33.2 years in 2000 to 38.9 years in 2030. In the City of San Diego, the median age rose from 30.8 years in 1990 to 32.6 years in 2000.

Young adults (20-34 years) and the elderly (65+) tend to favor apartments, low-to-moderate cost condominiums, and small single-family homes. The 35-64 population segment tends to favor higher-amenity apartments and condominiums and single-family homes because they have larger incomes and households. The aging of the "baby boomers" will create demand for a range of housing types that cater to the elderly. The fastest growing segment of the population between 2000 and 2030 is expected to be those aged 65 years and older, increasing by 140 percent. In absolute numbers, San Diego's "over 65" population is projected to grow from 128,022 in 2000 to 151,298 in 2010 to 314,785 in 2030.

2. Household Size and Composition

Household size influences the demand for the mix of apartments, condominiums and single-family homes, as well as the size of the units. A small household (1-2 persons) traditionally uses a unit with 0-2 bedrooms while medium households (3-4 persons) typically use 3-4 bedrooms. Large households (5 or more persons) typically use 4 or more bedrooms. Household composition influences choice of location. For example, households with no children may be less concerned about locating within a given school district than households with children.

Average household size is higher in San Diego than the nation, and, contrary to national trends, has not decreased in recent years. The Census Bureau projects that the nation's average household size is expected to decline slowly from 2.59 in 2000 to below 2.4 by 2020. According to the Census Bureau, two major factors account for

this decline: (1) an increase in households and families with no children; and (2) an increase in persons living alone. In contrast, SANDAG's 2030 forecast projects that San Diego's regional household size will continue to increase until 2030. In 2000, the average household size was 2.73. By 2010, it is expected to rise slightly to 2.78, and by 2030 will increase to 2.88. This trend toward larger households may reflect the tendency for households to "double up" as housing costs outpace income.

3. Income

Income directly affects the range of housing costs and influences housing affordability. Household income is also directly related to housing tenure and type. As household income increases, the ratio of homeownership tends to increase. State law identifies five income categories in relation to AMI¹²: Extremely Low-Income; Very Low-Income, Low-Income; Moderate-Income, and Above Moderate-Income.

Extremely Low-Income Households: Households with gross income equal to 30 percent or less of the AMI.

Very Low-Income: Gross household income between 31 and 50 percent of the AMI.

Low-Income: Gross household income between 51 and 80 percent of the AMI.

Moderate-Income: Gross household income between 81 and 120 percent of the AMI.

Above Moderate-Income: Gross household income more than 120 percent of the AMI.

The U.S. Department of Housing and Urban Development (HUD) and the California Department of Housing and Community Development (HCD) develops income estimates at the county level. The FY 2004 AMI for a family of four in San Diego is estimated at \$63,400. Extremely low-income is estimated at \$20,550 for a four-person household, very low-income is \$34,250 and low-income is \$54,800 for the same size household.

In the City of San Diego, there are approximately 181,572 extremely low-, very low- and low-income homeowner and renter households.¹³ Of these households, approximately 114,449 or 63 percent pay more than 30 percent of income for housing.

12. Area Median Income (AMI) is determined annually by the U.S. Department of Housing and Urban Development and the California Department of Housing and Community Development

13. FY 2000 Comprehensive Housing Affordability Strategy (CHAS) Census Data Book

4. Race and Ethnicity

Over the past ten years, San Diego has become an increasingly diverse community. According to the 2000 Census, approximately 49 percent of the City residents were White, 25 percent Hispanic, 14 percent Asian or Pacific Islander and eight percent Black. Native American and “Others” made up the remainder of the population. Between 1990 and 2000, significant changes in the racial and ethnic composition of residents had occurred. Specifically, Hispanic and Asian residents increased by 39 percent and 36 percent, respectively, while the number of White and Black residents declined by eight percent over the same period (Table 8).

**TABLE 8
RACE AND ETHNICITY**

| Race | 1990 | | 2000 | | 2004 | | 1990- 2000 | 2000- 2004 |
|-------------------------------|------------------|---------------------|------------------|---------------------|------------------|---------------------|-------------------|-------------------|
| | Number | Percent of Total | Number | Percent of Total | Number | Percent of Total | Percent Change | Percent Change |
| White | 653,368 | 59% | 602,799 | 49% | 605,270 | 47% | -8% | <1% |
| Hispanic | 223,616 | 20% | 310,533 | 25% | 344,557 | 27% | 39% | 11% |
| Asian and Pacific Islander | 125,559 | 11% | 170,538 | 14% | 200,182 | 15% | 36% | 18% |
| Black | 100,041 | 9% | 91,815 | 8% | 93,287 | 7% | -8% | 2% |
| Native American | 5,975 | 1% | 4,620 | <1% | 4,248 | <1% | -23% | -8% |
| Other ¹⁴ | 1,990 | >1% | 43,216 | 4% | 46,488 | 4% | N/A | 8% |
| Total | 1,110,549 | 100% | 1,223,341 | 100% | 1,294,032 | 100% | 10% | 6% |

Source: U.S. Census 2000, SANDAG

SANDAG’s 2030 forecast projects that these trends are expected to continue in the City. The Hispanic population is expected to increase by 81 percent between 2000 and 2030 from about 25 percent of the total population to 66 percent. Similarly, the Asian and Pacific Islander population segment is estimated to grow by 56 percent by the year 2030.

14. “Other” category in 1990 and 2000 Census are not comparable. In 2000 Census, “Other” includes “Some other race” and “Two or more races” as identified in the 2000 Census. Sources: 1990 & 2000 Census

C. Population Subgroups

1. Elderly

The population over 65 years of age is considered elderly and presents four main concerns:

- Income: People over 65 are usually retired and living on a fixed income
- Health Care: Due to the higher rate of illness, health care is important
- Transportation: Many seniors use public transit
- Housing: Many live alone and many rent

These characteristics indicate a need for smaller, low-cost housing units with easy access to transit and health care facilities.

According to the 2000 Census, the City had 127,281 persons over the age of 65, representing about ten percent of all residents. Between 1990 and 2000, the elderly population increased by approximately 13 percent. Approximately 51,310 persons were considered frail elderly with a disability. SANDAG Census data projects that by 2010, the elderly population will increase to 151,298, a 19 percent increase from 2000 and a 26 percent increase from 1990.

Citywide, approximately 18 percent of all households were headed by seniors. A disproportionate percentage (49 percent) of senior households is low-income compared to households overall (40 percent). Approximately 35 percent of elderly residents experienced housing problems such as cost burden or substandard housing. While this is less than the citywide average, elderly residents are often less able to make improvements to their homes or to find affordable housing due to limited income and disabilities.

Regionally, SANDAG Census data projects that the number of persons 65 years and older will increase by 18 percent from 313,750 in 2000 to 369,212 by the year 2010. By 2030, the population of persons 65 years and older is projected to increase by 136 percent to 740,929. This increase is the result of the aging of the "baby boom" generation.

In addition to affordable housing located near transportation, the housing needs of the elderly also include supportive housing, such as intermediate care facilities, group homes and other housing that includes a planned service component. Needed services include personal care, housekeeping, meals, personal emergency response and transportation. ElderHelp of San Diego administers a Shared Housing Program which matches persons in need of low-cost housing with elderly residents who have space in their homes to share. Home providers supply a private bedroom, shared common space and utilities in exchange for the home seeker's contribution of services or low rent. ElderHelp screens applicants, finds compatible matches and offers ongoing support and mediations when necessary.

The continued support for locating housing for the elderly near essential services is identified in Volume I, where the City’s support for a shared housing program for the elderly is described.

The City’s Section 8 rental assistance program (administered by the San Diego Housing Commission) recognizes the need for affordable senior housing. Elderly families are one of the special needs groups that have priority for obtaining housing choice vouchers. The City is also home to a number of housing complexes where some or all of the housing units are reserved for seniors. In addition, the county’s Elder Law & Advocacy program provides free legal services to senior citizens age 60 or older and to family caregivers of persons 60 and older.

**TABLE 9
ELDERLY PROFILE**

| Special Need Group | Percent of Population | With a Disability | Low and Moderate-Income | Housing Problems |
|---------------------------|------------------------------|--------------------------|--------------------------------|-------------------------|
| Elderly | 10% | 40% | 46% | 34% |
| All residents | 100% | 16% | 40% | 43% |

Sources: 1) U.S. Census 2000; and, 2) HUD CHAS, 2003

As the elderly population continues to increase, it is anticipated that demand for a variety of elderly housing options will also increase. In addition to traditional facilities that offer independent living units, it is likely that demand for intermediate care and assisted living will also increase, as well as demand for facilities offering a full range of living arrangements.

2. Persons with Disabilities

Several federal and state statutes affect the provision of housing for persons with disabilities, including the Fair Housing Act Amendments of 1988, the Americans with Disabilities Act of 1990, the Housing and Community Development Act of 1992 and Section 504 of the Rehabilitation Act of 1973.

The Fair Housing Act Amendments of 1988 (FHAA) define “disability”¹⁵ as:

- (1) a physical or mental impairment that substantively limits one or more of such person’s major life activities;
- (2) a record of having such an impairment; or
- (3) being regarded as having an impairment, but not as a result of current illegal use of or addiction to a controlled substance.

15. (42 U.S.C. section 3602[h])

The FHAA requires local jurisdictions to “make reasonable accommodations in rules, policies, practices, or services when such accommodations may be necessary to afford such person equal opportunity to use and enjoy a dwelling.”¹⁶ Additionally, the FHAA requires all multifamily housing with four or more units and an elevator, or ground floor units in non-elevator buildings built after March 1991 to comply with accessibility guidelines.

Title II of the Americans with Disabilities Act of 1990 prohibits discrimination against persons with disabilities by state and local governments. Thus, any housing development project owned, managed, or sponsored by the City is under this protection.

Title VI of the Housing and Community Development Act of 1992 allows public housing authorities and publicly assisted housing providers to designate buildings or parts of buildings as “Designated-Elderly,” “Designated-Disabled,” “Mixed Elderly” and “Disabled housing.”

Section 504 of the Rehabilitation Act of 1973 prohibits discrimination by any federal program that receives federal funds. This prohibition applies to public subsidized housing and publicly assisted housing providers. Section 504 also requires that persons with disabilities be allowed to modify existing housing premises with features that are necessary to accommodate their disability and requires that future multifamily dwellings be constructed with certain accessibility features. Under Section 3604(f)(3)(c), design and construction of new housing first occupied after March 1991 must incorporate several adaptability access design features.

All units on the ground floor in buildings without elevators and all units in buildings with elevators must incorporate minimum adaptability standards:

- (1) All doors designed to allow passage must be wide enough to accommodate persons in wheelchairs.
- (2) Accessible route into and through the dwelling must be provided.
- (3) Light switches, electrical outlets, thermostats, and other environmental controls must be placed in accessible locations.
- (4) Bathroom walls must be reinforced to allow installation of grab bars.
- (5) Kitchens and bathrooms must have sufficient space to allow people in wheelchairs to move about.

In addition, public and common use areas must be “readily accessible and usable” by people with disabilities.

16. (42 U.S.C. section 3604 (f) (3) (b))

The California Building Code was amended in the early 1990s to mirror the FHAA requirements. This amendment implements the disability access requirements of Title 24 of the California Code of Regulations. The main difference between the FHAA and the Model Building Code is that the California Building Code applies to multifamily projects with three or more units while the FHAA apply to projects with four or more units. For condominiums, the threshold is also four units. Neither the FHAA nor the state provisions apply to existing housing, upgrades, remodels, or rehabilitation of existing housing.

These provisions are enforced through the building permit process. Projects subject to these provisions that do not comply are subject to civil suit. Pursuant to state law, no local jurisdiction can adopt provisions that are more restrictive than the California Building Code. Currently, there are no accessibility requirements at any government level for single-family units.

The City of San Diego currently has an estimated 181,459 persons with disabilities.¹⁷ Of these, just over 103,000 are elderly.

| City of San Diego Totals (2000) | |
|--|----------------|
| Sensory disability | 32,904 |
| Physical disability | 74,120 |
| Mental Disability | 49,799 |
| Self-care disability | 24,636 |
| Subtotal | 181,459 |
| Disabled elderly | 103,443 |

The special housing and location needs vary depending on the type of disability. Generally, this population experiences hardship as a result of unemployment, low-incomes, and high housing costs in San Diego. The special needs of subpopulations of people with disabilities are discussed below:

a. Persons with Physical Disabilities

The housing needs of the approximately 74,120 physically disabled individuals in the San Diego region include not only affordability but also physical features that provide for access and use according to the disability of the occupant. If accessibility needs are not met, the result can be confinement to the home. Currently, the Veterans Administration offers assistance to veterans with service-connected disabilities to modify their homes. In addition to housing, support services designed to meet the needs of the particular individual also need to be addressed. Ideally, a social worker should be available on-site to assist persons returning to the community from a health care institution.

17. Estimate of the number of disabled person, as derived from San Diego Association of Governments (SANDAG) 2000 Census data

According to the National Council on Independent Living, approximately 71 percent of the national physically disabled adult population is unemployed. The ACCESS Center, a nonprofit agency whose housing program serves more than 2,000 persons with disabilities, including the mentally ill and physically and developmentally disabled, estimates that the unemployment rate among the physically disabled is 63 percent in the region. The Access Center also estimates that about 90 percent of its clientele is on fixed incomes, mainly Social Security and SSI. Although Social Security provides incentives for disabled persons to work, they are often insufficient to allow a disabled person to significantly improve their housing status.

According to the ACCESS Center, approximately 1,000 of the 8,500 households receiving Section 8 assistance have at least one disabled member. The ACCESS Center estimates that approximately 500-1,000 more persons with disabilities would qualify for Section 8 certificates if they were available. In addition to the Section 8 rental assistance already being received by people with disabilities, other housing options include shared housing, the construction of affordable units, and the Supportive Housing program, which promotes the development of supportive housing services to assist those with special needs in transition to independent living.

b. Persons with Mental Disabilities

In the City of San Diego there are an estimated 50,000 people with mental disabilities. This figure, which includes both the mentally ill and persons with developmental disabilities, represents those people for whom a mental disability made it difficult to perform day-to-day activities.¹⁸

According to the National Resource Center on Homelessness and Mental Illness, persons with serious mental illnesses (SMI) are over-represented among the homeless population. While those with a SMI represent only four percent of the U.S. population, they represent five to six times as many people (20-25 percent) in the population of the homeless nationwide.¹⁹

This statistic is confirmed on the streets of San Diego County. Data from the Regional Task Force for the Homeless reveals that on any given night there are approximately 1,417 homeless mentally ill, among the 7,323 total urban homeless persons in the county. This is roughly 20 percent of that population and over 25 percent of the adult homeless population.²⁰ Without proper mental healthcare and

18. From the U.S. Census Bureau explanation of survey methods: "Item 17 was a four-part question that asked if the individual had a physical, mental, or emotional condition lasting six months or more that made it difficult to perform certain activities. The four activity categories were: (a) learning, remembering, or concentrating (mental disability); (b) dressing, bathing, or getting around inside the home (self-care disability); (c) going outside the home alone to shop or visit a doctor's office (going outside the home disability); and (d) working at a job or business (employment disability)"

19. National Resource Center on Homelessness and Mental Illness, 2004

20. Regional Homeless Profile, July 2004 – Regional Task Force on the Homeless

affordable housing this number is likely to grow. These numbers may also be undercounted, as some of the homeless population does not realize they have a mental health problem.

The California Developmental Disabilities Board for Area XIII, an advocacy group for developmentally disabled persons in San Diego County, states that about 14,000 developmentally disabled persons reside in the City. While group homes have been a viable option for persons with developmental disabilities historically, they are not the only desired housing choice. This population is looking for options beyond group living, including apartments, condominiums, and houses. A major barrier to stable, decent housing for the developmentally disabled is income. Some work only a part-time schedule, so as not to lose eligibility for Medi-Cal health benefits. A substantial majority of persons in this population depend solely on Supplemental Social Security Income (SSI) payments of an average of \$646 per month. Based on this income, few persons in this population can afford market-rate rental housing.

3. Large Families

Large families are defined by the U.S. Department of Housing and Urban Development as families with five or more members. Large households have special housing needs due to their income and lack of adequately sized, affordable housing. To save for necessities such as food, clothing and medical care, low- and moderate-income large households may reside in smaller units, often resulting in overcrowding. The 2000 Census reported 55,926 large households in the City, representing 13 percent of all households. Large households were almost evenly split between renter (49.7 percent) and owner households (50.3 percent). This special needs group experienced a higher level of housing problems than other households. Large family households had the highest level of housing problems regardless of income level. Almost all (95 percent) of extremely low-income and 91 percent of the very low-income large family renters experienced housing problems, which include overcrowding, cost burden, or substandard housing. Cost burden was a major component of housing problems for large families.

Meeting the housing needs of large families is particularly difficult because market forces result in buildings with more one- and two-bedroom units and fewer three- and four-bedroom units. These forces include (1) shrinking national household sizes (2) high parking requirements, and (3) high land costs, which make it more profitable to maximize the number of units, in part by building a larger number of smaller units. These market forces act as a disincentive for both the private sector and the public sector to provide adequate housing for large families. Additionally, publicly subsidized housing must compete with a variety of other needs for limited public funds.

In addition, houses in the older parts of San Diego typically have only two bedrooms. Larger homes with three or more bedrooms tend to be more available in the planned urbanized communities that are further from the City center and tend to be more expensive. The high costs for single-family homes make it nearly impossible for large, low-income families to purchase a home.

**TABLE 10
BEDROOM DISTRIBUTION OF SECTION 8 PROGRAM**

| Number of Bedrooms | 0-1 | 2 | 3+ | Total Units |
|---------------------------|------------|----------|-----------|--------------------|
| Units | 4,782 | 3,495 | 3,706 | 11,983 |

Source: Housing Commission, 2004

4. Military

The Naval Complex San Diego consists of ten military installations located in the San Diego Region. In 2004, there were 69,251 military personnel and 35,918 military families in this region. Of these families, 9,133 are housed in military housing neighborhoods. The Navy estimates its housing shortfall in 2004 at 5,754 homes²¹.

In addition to Military Family Housing, some Navy personnel may be eligible for public housing or rent subsidized units. However, long waiting lists prevent most low-grade personnel who may qualify, from occupying significant numbers of publicly assisted housing units. Consequently, military personnel must rely on the already overcrowded private sector to meet their housing needs.

5. Students

As of July 1998, there were approximately 51,455 full-time equivalent (FTE) students attending San Diego's colleges and universities, plus an additional 25,778 full-time equivalent credit students enrolled in the four San Diego Community College District campuses and 14,047 full-time equivalent non-credit adult school students. The majority of students attending four-year schools come from outside of San Diego and relies on off-campus housing to satisfy their housing needs.

Ideally, student housing should be located adjacent to or on campus and near shopping and public transportation. Also, it should be higher density to permit lower rents for typically low-income students. However, most campuses are surrounded by low-density housing and three schools are located in La Jolla (University of California, San Diego), Point Loma (Point Loma Nazarene),

21. Data provided by Navy Region Southwest Military Housing

and Scripps Ranch (United States International University), which have higher housing costs compared to the rest of the City. The University of San Diego has the best location for low-priced rental units, while San Diego State University (SDSU) offers middle-income housing to the south and upper-income housing to the north.

The problems created by student spillover into adjacent residential areas have grown more severe. This has been particularly true in neighborhoods surrounding SDSU where a number of single-family homes have been converted into “mini-dorms.” Such “mini-dorms” do not have adequate off-street parking for students with automobiles.

In response to inadequate student housing opportunities on campus, SDSU, through the SDSU Foundation, continues to make progress on the Paseo mixed-use redevelopment project which will ultimately provide 460 units (1,400 beds) by 2008. The Foundation continues to provide development assistance to the Sorority Row project, which will provide an additional 215 beds by 2006. Other universities have indicated the intent to absorb potential student spillover by increasing on-campus housing.

6. Female Headed Households

In 2000, households headed by women comprised approximately 11 percent (51,248 households) of all households in San Diego. Of those, 58 percent included children under the age of 18. Female heads of households comprised a disproportionate number of families that are living in poverty. According to the 2000 Census, 25 percent of female heads of households lived in poverty and 89 percent of those households included children.

Single-parent households are likely to have special needs for housing near day care and recreation facilities and to have access to public transportation. Households headed by females are especially likely to need assistance because women continue to earn less on average than men do in comparable jobs. Low-income female heads of households with children experience additional burden when combined with limited transportation resources. Low-income workers, especially female heads of household with children, have unique travel patterns that may prevent them from obtaining work far from home.

Families headed by a single mother are more likely to experience discrimination in the housing market because of the reluctance of some managers and owners to rent to families with children. Although the Fair Housing Act of 1988 expanded the scope of the law to include families with children, such discrimination according to the Fair Housing Council of San Diego still occurs. The City continues to support the enforcement of fair housing laws.

Among the estimated 7,323 total urban homeless persons, within the City of San Diego there are 365 families with single women as head of household and 717 children with them, and 19 families with single men as head of household and 22 children with them.

In addition to these homeless families, the Regional Task Force on the Homeless notes that a significant number of families are at-risk of becoming homeless. For every homeless family living in a shelter, experts estimate that there are two to three families who are on the verge of homelessness due to unstable living conditions and who need similar support services as homeless families in order to sustain permanent housing. They are often living in the temporary accommodations of family or friends who may also be living under tenuous circumstances.

In the past, the primary vehicle in the City to assist low-income families from becoming homeless has included various forms of rental assistance. The "Governmental Constraints" chapter discusses reducing governmental barriers for new construction of affordable housing.

7. Farm Workers

The homeless population in San Diego County can be categorized into two broad groups: urban homeless and farm workers/day laborers, who primarily occupy the hillsides, canyons and fields of the northern regions of the county. There has been a significant reduction in the estimated number of farm workers in the last few years due to increased urbanization and development. The San Diego Police Department estimated that there are no families living in the encampments located in canyons in the City. The Regional Homeless Profile estimated that there are approximately 200-500 unhoused farm workers within the City of San Diego in 2004.

Although the rural homeless population is difficult to access directly due to the terrain and a limited number of staff (two) in the Homeless Services Division of the Community and Economic Development Department, the City staff has developed an initial plan to notify funding sources of grants. This began in FY 2003-2004. This plan is intended to help bridge the gap between grantors and service providers, between the homeless and employers and faith-based communities to address existing needs.

Identified prospective resources that may be used to develop housing for this population include the HCD, HUD, USDA, and HAC websites. These websites provide significant information about farm worker housing. HCD operates OMS Centers, the Farm Worker Grant program, enforces the Employee Housing Act and Mobile Home Parks Act. There is also a farm worker housing tax credit program under TCAC. The USDA has farm labor housing (and a rural rental program). HUD has a *colonias* program and other information on its website.

There continues to be an existing housing gap for these workers, in part, because there are not enough site locations for that type of housing; another factor is that growers often lease their land and are not free to build housing.

8. Homeless People

Since homelessness is a regional issue, there is currently a joint Memorandum of Understanding between the City of San Diego, County of San Diego and United Way of San Diego and Imperial Counties to develop a Plan to End Chronic Homelessness. There are disproportionate costs associated with this population in healthcare, hospitalizations, incarceration, social service support and other cost centers. Therefore, the above mentioned collaborative has been formed to focus community talents, skills and resources on the goal of eliminating the human, financial and community burden of people routinely living on the streets.

The data presented in this section is based on statistics much of which was obtained from the Regional Taskforce on the Homeless (RTFH) data. In 1985, the RTFH, with representation from local government, providers of homeless services and the business and faith communities, was created to identify needs of homeless persons. It is funded by San Diego Housing Commission, the county of San Diego, the United Way of San Diego, and other local jurisdictions. The Task Force board meets monthly and collects and maintains aggregate data that support programmatic prioritization processes.

The RTFH's Homeless Management Information System (HMIS) is working to establish an unduplicated database of those receiving homeless services in an effort by HUD to structure a system that will provide a complete count. Although not in its final stages of development, progress is being made toward that objective.

Nature and Extent of Homelessness

According to San Diego County, there are 2.1 low-income households for every low-cost rental unit. According to the California Budget Report, nearly 65 percent of San Diego residents spend more than half of their income on housing. Homeless residents and those in danger of becoming homeless face a prohibitive real estate market where high rents have combined with a low vacancy rate. Employment options available to the homeless would be unlikely to cover the cost of housing in the region. New national data indicates that co-occurring disabilities, including mental health issues, are the primary reasons for homelessness. Nonetheless, the majority of homeless are extremely poor individuals and families with children.

Homeless Population

The RTFH estimates the homeless population (which includes urban homeless and rural homeless) to be over 9,000 in the region. The RTFH estimates that there are approximately 4,458 homeless persons in the City of San Diego. (200 are farm workers/day laborers). Approximately 62 percent of the county’s total homeless population lives in the City of San Diego. Over half of the City’s homeless population is unsheltered, although the City’s sheltered homeless population already constituted 62 percent of the county’s total sheltered homeless. The figures are based on the July 2004 Regional Homeless Profile and the most recent housing needs statement prepared by SANDAG (1999).

**TABLE 11
HOMELESS POPULATION**

| Jurisdiction | Total Urban/Rural | Total Sheltered | Total Unsheltered | Percent Unsheltered |
|---------------------|--------------------------|------------------------|--------------------------|----------------------------|
| San Diego | 4,458 | 2,265 | 2,193 | 49% |
| San Diego County | 9,667 | 3,457 | 6,210 | 64% |

Nonprofit agencies in the City and county conduct a simple survey every January that is distributed to clients staying in their year round shelters. The City’s operators of the Winter Shelter Program also participate. In 2004, for the first time, the San Diego Police Department completed a rolling count of the homeless sleeping on the streets. These figures were also factored into the population estimates.

Homeless Subpopulations

Homeless Individuals

Single adults are estimated to comprise 64 percent of the urban homeless population. Most of these individuals are between 27 and 40 years old. A fifth of the individuals have been homeless for more than four years. Based on intake forms from service agencies across the county, the majority of homeless are male adults and overwhelmingly white (60 percent). Single women represent 34 percent of the urban homeless. There is a high incidence of mental illness in the female homeless population.

Homeless Youth

About 100 chronically homeless youth reside in the City of San Diego at any given time. An “invisible population,” they tend to concentrate in urban areas where they easily blend with other youth. According to RTFH, homeless youth live in vacant buildings, on rooftops, in wooded areas, in canyons (especially Balboa Park) and in cars. They often hang out at the beach, under bridges, in hallways and in parking garages. It is not unusual for them to pool their money for one or two nights in a motel room.

A high proportion use drugs and/or alcohol and many sell drugs and/or turn to “survival sex” to meet their basic needs. Homeless service providers were asked by the RTFH to rank the top unmet needs of homeless youth. The five top unmet needs are: Alcohol and drug abuse treatment, emergency shelter, employment assistance, mental health treatment and transitional housing. Only 50 beds are set aside for homeless youth.

Homeless Families

Homeless families make up about one-third of the urban homeless population in the region (approximately 1,379). Single mothers head the majority of homeless families. Many homeless families have chronic economic, educational, social problems and have difficulty accessing the traditional service delivery system. These families may seek assistance when a crisis occurs, but then break contact with the agencies when the crisis is resolved. Issues such as lack of affordable housing, unemployment or underemployment, and lack of sufficient public assistance benefits contribute to homelessness among families. This has been particularly true with public assistance programs, where benefit levels have not kept pace with the cost of living.

According to the RTFH’s Homeless Management Information System, 72 percent of homeless children are 12 years of age or younger. Children of homeless families may suffer long-term problems because of their homeless situation. Homeless children have a number of development, behavioral and emotional problems. These children are more likely than other children to be anxious, depressed, aggressive, dependent and demanding. Homeless children also suffer from a variety of physical disorders.

An estimated 640 beds are designated for homeless families throughout the City. The City of San Diego provides a year round transitional shelter for 150 people (parents and children); St. Vincent de Paul provides transitional housing for 240 persons; the San Diego Rescue Mission’s Nueva Vida Haven is a nightly emergency shelter open year-round for women and children and has a capacity for 60 persons; and the Salvation Army houses 50 family members.

Veterans

Homeless veterans are more prevalent in San Diego than in many other counties because of a large military presence. An estimated 800 homeless veterans reside in the City. Approximately 20 percent of the homeless male population are veterans. Many homeless veterans suffer from post-traumatic stress disorder, which causes disturbing memories, flashbacks, or nightmares. Five priority needs identified by the RTFH for this population are: recovery services, mental health assistance, job training and placement and affordable housing. Access to Veterans Administration benefits is also limited. Twenty percent of homeless veterans left the military with a dishonorable discharge and are therefore excluded from receiving benefits.

The Vietnam Veterans of San Diego (VVSD) plays an important part in service provision to homeless veterans by providing services to veterans from all eras. The VVSD holds an annual collaborative, community wide event at which a broad base of public and private organizations come together to meet the emergency and rehabilitative needs of homeless veterans. The event is named "Stand Down" and in 2004 over 700 veterans participated in the event. Veteran homeless services in the City of San Diego include the following programs: Winter Shelter for 150 males (VVSD operates an 87-bed State Licensed Alcohol and Drug Treatment Center near downtown San Diego for homeless males and females, a sober living house for singles and a family program with access to counseling services and sober recreational activities); and, the SD Urban League which provides affordable housing and 23 beds of transitional housing to single male veterans.

Disabled Homeless Persons

Mental Illness: Mentally ill persons are defined as individuals who have a severe or persistent mental disorder. In San Diego, the target population of the San Diego County Health and Human Services Agency is defined as: persons who have an Axis I or II diagnosis according to the Diagnostic and Statistical Manual (DSM IV), persons with a severity of psychosocial stressor moderate to catastrophic, and persons with a Global Assessment of Functioning (GAF) score below 60. Mental illness often precipitates homelessness. Not only can homelessness be a consequence of mental illness, but a homeless life may also cause and exacerbate emotional problems. Virtually all the chronically homeless have some form of mental illness or other, co-occurring disabilities. According to local mental health officials, about two-thirds of the general homeless population that suffers from schizophrenia or major depression receives treatment. The remaining mentally ill persons have no contact with medical professionals and do not receive prescribed medication. Up to half of the homeless mentally ill population are believed to be abusing drugs and or alcohol to self-medicate. New studies indicate that when appropriately medicated, illegal substance dependencies stop becoming a disabling behavior for mentally ill homeless people. Many mentally ill persons are able to gain entry to general shelters but because of behavior issues related to their mental illness, their stays are short between episodes of acute mental illness.

The City/County Collaborative, the REACH program, has 250 permanent supportive housing beds reserved for severely mentally ill homeless. In San Diego, the Association for Community Housing Solutions (TACHS)/Paseo Glenn is a permanent supportive housing program for adults who are severely mentally ill with a capacity for 18 persons, with unlimited maximum stay. Pathfinders Shelter Plus Care is a permanent supportive housing program for adult men who have a serious mental illness (SMI) and substance abuse treatment needs. This facility has a capacity for 17 persons, with 24 months maximum stay. The Episcopal Community Services (ECS) Friend to Friend Clubhouse is a day shelter for adults who have mental health needs. The facility has a capacity for 50

persons, with kitchen, showers and lockers available. The ECS also provides Safe Haven Housing for persons who are severely mentally ill with a capacity of 35 beds.

Substance Dependencies: Drugs and alcohol are often used as “self-medication” to help homeless persons cope with their mental illness, as well as their bleak circumstances. In comparison, national statistics show that 35 to 40 percent of homeless people probably abuse alcohol. This includes about half the homeless men and one-sixth the homeless women. A smaller group abuses drugs. Up to half of the homeless mentally ill population is believed to be abusing drugs and/or alcohol.

In the City of San Diego, the following programs serve homeless individuals with substance abuse problems:

- San Diego Rescue Mission has 180 treatment beds.
- Pathfinders Shelter Plus Care has a capacity for 17 persons, with 24 months maximum stay.
- Stepping Stone has two permanent supportive housing programs for 26 adults who have HIV/AIDS and substance abuse needs.

Domestic Violence: Some single women and mothers with children become homeless as the result of domestic violence. According to a study by the U.S. Conference of Mayors, 46 percent of the cities surveyed identified domestic violence as a primary cause of homelessness. Homeless women living on the streets are particularly susceptible to rape and battery. Homeless women, therefore, often require additional counseling to work through psychological impairment from physical abuse to transition into the mainstream. There are an estimated 525 adult single homeless women in the City. Traditional homeless shelters cannot function as a “safe house” with a confidential location. There are approximately 87 beds for those fleeing domestic violence in the City. They are:

- Episcopal Community Services’ Julian’s Anchorage with a capacity for 18 persons.
- Interfaith Shelter Network El Nido is a transitional shelter for families with children with a capacity for 45 persons.
- Center for Community Solutions Project Safehouse is an emergency shelter for nine persons.
- YWCA Casa de Paz and Becky’s House, are emergency shelters for 40 women with children.
- Lutheran Social Services East San Diego Center is a case management agency for women with children who have victims of domestic violence needs.

HIV/AIDS: The City estimates 250 persons are infected and homeless. Federal law prohibits discrimination against people with AIDS, yet some individuals are evicted when their HIV status becomes known. Others lose their homes when the illness prevents them from working to pay rent or make mortgage payments.

Persons Threatened with Homelessness

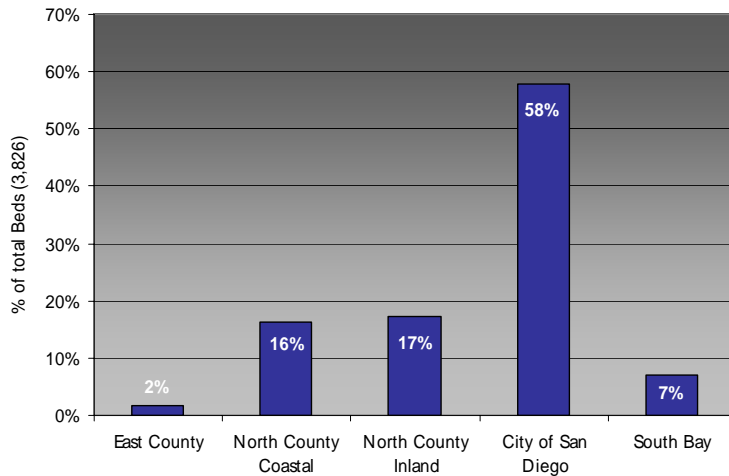
The RTFH believes that a significant number of families are at-risk of becoming homeless. For every homeless family living in a shelter, experts estimate that there are two to three families who are on the verge of homelessness due to unstable living conditions and who need the same support services as homeless families in order to sustain permanent housing. The “at-risk” population is comprised of low-income families and individuals who, upon loss of employment, would lose their housing and end up becoming homeless. These families are generally experiencing a housing cost burden, paying more than 30 percent of their income for housing. In more severe cases some families pay more than 50 percent of their income for housing. The “at-risk” population also includes those being released from penal, mental or substance abuse facilities, requiring social services that help them make the transition back into society and remain off the streets.

Another “at-risk” population group includes those currently in foster care and who may become homeless when they reach 18 years of age. Approximately 300 youth are served in the City of San Diego. Access Inc.’s Youth Empowerment Services (YES) helps more than current and former foster youth each year to prepare for emancipation. The program is offered in Linda Vista, for youth residing in foster homes, group homes, or emancipated youth living independently, and at San Pasqual Academy for more than 120 foster youth.

Inventory of City Facilities and Services

Homeless persons have a very difficult time finding permanent housing once they have moved from a transitional housing or other assistance program. Housing affordability for those who are or were formerly homeless is challenging from an economics standpoint. Many homeless people have poor credit and/or tenancy histories.

The City funds and oversees the Winter Shelter Program for 400 veterans, single adults and families, Homeless Outreach Teams, Serial Inebriate Program, the 150-bed Cortez Hill Family Center and the Neil Good Day Center. It also offers emergency vouchers for motel/hotel accommodations in the City of San Diego for families with children and disabled adults. Vouchers are available for December through April.



Homeless Prevention

San Diego County housing costs are among the highest in the nation. The increased demand and lack of affordable housing in the region places extreme challenges on residents and families on the brink of homelessness. Prevention strategies include:

CalWORKS: Funds are available to individuals on public assistance to prevent homelessness by providing rent and utility payment, which are funded through Temporary Assistance for Needy Families (TANF).

Workforce Partnership: Created under a Joint Powers Agreement by the City and county of San Diego, the Workforce Partnership coordinated job training and employment placement services including services for homeless veterans, youth and the disabled.

San Diego Housing Commission: The City provides first-time buyer programs, housing rehabilitation programs and fair housing services to help prevent evictions that could result in homelessness.

Federal Emergency Management Agency (FEMA): The City's FEMA funds are used to prevent evictions, foreclosures, and utility shutoffs, all of which threaten to result in homelessness for families and individuals.

Housing Opportunities for Persons with AIDS (HOPWA): Funds authorized under this program are used to prevent low-income individuals with HIV/AIDS from becoming homeless. Programs include: independent housing, residential services coordination and information and referral services.

Regional Task Force on the Homeless (RTFH): The RTFH provides a detailed directory of homeless services and facilities in the region.

San Diego City Council: In January 2004, the San Diego City Council approved an initiative to Plan to End Chronic Homelessness. The San Diego City Council also adopted an inclusionary housing ordinance leading to production of affordable housing units and increased contributions to the Housing Trust Fund.

Outreach Services

The City's Homeless Outreach Team (HOT) conducts street canvassing to reach out to chronically homeless persons and find appropriate housing. In the HOT program, four police officers team with two county social workers and two Psychiatric Emergency Response Team clinicians contact homeless people.

Transitional Housing

Transitional shelters offer housing, case management and support services to return people to independent living. The length of stay averages six months and is usually not longer than 24 months. The Cortez Hill Family Center, the City's first year-round transitional housing facility for homeless families, evolved from the Winter Homeless Shelter Program and continues to provide shelter to 150 homeless family members. Developed by the City of San Diego and operated by the YWCA, the Cortez Hill Family Center provides a full range of services, including case management, job training and placement assistance, counseling and healthcare, as well as offers homeless families an opportunity to reestablish greater self-sufficiency. The Center serves homeless families (usually consisting of women and children) in 47 rooms, and has been operating at capacity since opening in December 2002. According to RTFH, 2,797 transitional shelter beds are available in the county. Over 60 percent of those beds are located within the City of San Diego.

Distribution of Year-Round Homeless Beds, Seasonal Shelter Beds, Permanent Supportive Housing Units and Services within the City of San Diego

TABLE 12

TRANSITIONAL HOUSING AND SERVICES FOR THE HOMELESS

| Name of Agency or Program | Number of Locations | Number of Beds | Type of Service |
|--|--|-----------------------|---|
| Catholic Charities | 3 (East Village) | 35 | day center, night center & night shelter for women |
| City's Neil Good Day Center | 1 (East Village) | 0 | single adults |
| City's Family Shelter | 1 (Cortez Hill) | 150 | intact and single-parent families with children |
| Episcopal Community Services | 4 (Beach area, E. Village, Downtown & Hillcrest) | 50 | 1 day center, 2 safe havens |
| Salvation Army | 1 (East Village) | 99 | families, men's & meal programs |
| San Diego Rescue Mission | 1 (Banker's Hill) | 300 | women/children & men's treatment programs |
| San Diego Youth and Community Services | 5 (Hillcrest & Midway) | 50 | youth day center, night shelter & 2-year transitional housing |
| Senior Community Center | 3 (Downtown) | 40 | day center & transitional housing in 2 SROs |
| St. Vincent de Paul Village | 1 (East Village) | 816 | general homeless & walk-in services |
| Stepping Stone Service Offer | 1 (Hillcrest) | 0 | outreach to homeless people w/ HIV/AIDS |
| Traveler's Aid Service Office | 1 (Banker's Hill) | 0 | relocation of homeless to family support systems in other areas |
| VVSD | 1 (Old Town) | 87 | veteran recovery program beds |
| Volunteers of America (VOA) | 1 (East Village) | 100 | detox, recovery & dually diagnosed beds |
| YWCA | 3 (Downtown) | 62 | homeless & DV |
| Lutheran Social Services | 1 (44 th /Euclid) | 0 | case management, referrals, vouchers and services |
| Coalition for the Homeless | 1 (41 st /University) | 0 | referrals and vouchers |
| YMCA/Turning Point | 1 (44 th Street) | 24 | transitional housing for youth |
| Uptown Faith Center | 1 (2200 5 th) | 0 | services and referrals to people w/ AIDS & general homeless |
| Salvation Army/Door of Hope | | 30 | 12 transitional apartments for women w/ children |
| VVSD | 53 rd /Imperial) | 24 | transitional housing beds for veteran families |
| Urban League | 54 th /Imperial) | 20 | transitional housing beds for families |
| Interfaith Shelter Network | El Nido (Undisclosed) | 45 | homeless and domestic violence |
| St. Vincent de Paul Josue Homes | 3 (College Area) | 26 | homeless people living w/ AIDS |
| Presbyterian Crisis Center | 1 (24 th /Market) | 0 | case management & referrals |
| Total | | 1958 | |

Distribution of Year-Round Homeless Beds, Seasonal Shelter Beds, Permanent Supportive Housing Units and Services within the City of San Diego

TABLE 13

NUMBER OF TEMPORARY BEDS IN WINTER SHELTER PROGRAMS

| Name of Agency or Program | Number of Locations | Number of Beds | Type of Service |
|------------------------------------|---|---|---|
| City's Winter Shelter Program | 3 sites in CD 2 (East Village, Midway & Banker's Hill area) | 200 single adults, 150 veterans and 50 families | City's 90-day Winter Shelter Program |
| Interfaith Shelter Network | Regional Shelter in Congregations (CD 2, 3, 4, 6, 7 & 8) | 0 | emergency shelter for the general homeless population |
| Family Health Centers of San Diego | (CD 2, 3, 4, 6, & 8) | 150 | health care for the homeless |
| Total | | 430 | |

TABLE 14

PERMANENT SUPPORTIVE HOUSING

| Name of Agency or Program | Number of Locations | Number of Beds | Type of Service |
|---|----------------------------|-----------------------|---|
| Senior Community Center | Market Square Manor | 25 | homeless seniors with special needs |
| St. Vincent de Paul | Village Place | 25 | shelter + care |
| St. Vincent de Paul | Villa Harvey Mandel | 33 | shelter + care & special needs |
| The Association for Community Housing Solutions (TACHS) | Del Mar Apartments | 22 | shelter + care |
| The Association for Community Housing Solutions (TACHS) | Paseo Glenn | 14 | shelter + care |
| The Association for Community Housing Solutions (TACHS) | The Mason | 22 | dually diagnosed permanent supportive housing |
| Catholic Charities | House of Leah | 23 | very low-income women |
| Center for Social Support and Education | scattered sites | 18 | shelter + care |
| Pathfinders for SD | Grim Avenue | 15 | shelter + care |
| Stepping Stone | Our House | 12 | shelter + care |
| Stepping Stone | Central Avenue | 22 | shelter + care |
| Volunteers of America (VOA) | Hawley | 8 | permanent supportive housing/adults |
| The Association for Community Housing Solutions (TACHS) | Reese Village Apartments | 18 | dually diagnosed permanent supportive housing |
| Pathfinders | Streamview | 14 | shelter + care |
| South Bay Community Services | La Posada | 12 | shelter + care |
| Total | | 283 | |

Permanent Supportive Housing

One of the primary objectives of the City’s Homeless Services Program is to house chronically homeless individuals and families and to see them achieve stability through permanent housing with supportive services. Below is an inventory of such housing in the City.

D. Housing Characteristics

1. Size and Types

Single-family detached dwellings continue to dominate San Diego’s housing inventory, although their proportion has dropped from 1970 to 2004. In 1970, single-family units comprised 65 percent of all housing units. By 1991, single-family dwellings in the City had declined to 56.8 percent of the total housing stock. Since then, the percentage has leveled off. By 2000 it was 56 percent, and at the start of 2004 it was 55.7 percent, while multifamily units comprised 43 percent. The remaining one percent or so are mostly mobile homes.

The City’s single-family vs. multifamily housing ratio is more balanced than in the region as a whole. In 2000, single-family units comprised 60.4 percent of the county’s housing stock and are projected to remain at about that level through 2010.

According to SANDAG’s housing projections, between 2004 and 2010, the total number of occupied housing units in the City of San Diego will increase by 6.3 percent from 469,154 in 2004 to 498,741 in 2010.

Table 15 shows the number of housing units by type in the City of San Diego for 2004 and 2010.

**TABLE 15
NUMBER AND TYPES OF HOUSING UNITS
CITY OF SAN DIEGO 2004 vs. 2010**

| | 2004 | | 2010 | |
|------------------------|----------------|------------|----------------|------------|
| | Number | Percent | Number | Percent |
| Single-family | 272,287 | 55.7 | 277,786 | 53.4 |
| Multifamily | 210,304 | 43.0 | 236,170 | 45.4 |
| Mobile Homes and Other | 6,414 | 1.3 | 6,040 | 1.2 |
| Total | 489,154 | 100 | 519,996 | 100 |

Table 16 shows the number of housing units built annually since 1998 for single-family units and multifamily units. The multifamily units are further broken down by units in buildings having two to four units and buildings having five or more units.

**TABLE 16
UNITS COMPLETED BY SIZE OF STRUCTURE
CITY OF SAN DIEGO 1998-2003**

| | Units Per Structure | | | | | Units Per Structure | | | |
|-------------|---------------------|-----|-------|--------------|-------------|---------------------|-----|-------|--------------|
| | 1 | 2-4 | 5+ | Total | | 1 | 2-4 | 5+ | Total |
| 1998 | 2,724 | 320 | 2,714 | 5,218 | 2001 | 2,210 | 381 | 3,661 | 6,252 |
| 1999 | 2,204 | 116 | 4,398 | 6,718 | 2002 | 2,444 | 594 | 3,656 | 6,694 |
| 2000 | 1,980 | 416 | 4,160 | 6,556 | 2003 | 1,970 | 574 | 4,646 | 7,190 |

The number of housing units developed in San Diego steadily increased between 1998 and 2003, with the small drop in the single-family unit construction rate more than made up for by the growth in the rate of construction of five or more unit structures.

2. Age of Housing

Housing age is commonly used by state and federal programs to estimate rehabilitation needs. Typically, most homes begin to require major repairs or rehabilitation at 30 or 40 years of age. Most of the housing stock in San Diego is relatively new and is generally in good condition. Only eight percent of San Diego's housing stock was built before 1940 and about 56 percent was built after 1960. Approximately 44 percent of the homes in San Diego are 30 years or older, including 29 percent that were 40 years or older in 2000. The City's housing stock is older than the county's. Countywide, 38 percent of homes were 30 years or older, including 23 percent that were 40 years or older in 2000. **Table 17** illustrates the age of housing stock in San Diego.

**TABLE 17
AGE OF HOUSING STOCK
CITY OF SAN DIEGO**

| Years | Units | Percent |
|----------------------------|----------------|------------|
| Before 1940 | 36,037 | 7 |
| 1940 to 1949 | 29,137 | 6 |
| 1950 to 1959 | 69,617 | 14 |
| 1960 to 1969 | 72,386 | 15 |
| 1970 to 1979 | 112,807 | 23 |
| 1980 to 1989 | 91,985 | 19 |
| 1990 to March 2000 | 57,720 | 12 |
| March 2000 to January 2004 | 19,316 | 4 |
| Total | 489,005 | 100 |

Source: U.S. Census 2000, SANDAG

3. Tenure

The ratio of owner-occupied units vs. rental units is an indicator of stability. According to the 2000 Census, 47.5 percent of San Diego's housing stock is owner-occupied, while 48.4 percent is renter-occupied. Historically, the rate of homeownership in San Diego has been lower than that of the state and the nation. In 2000, the U.S. homeownership rate was 66.2 percent and the rate in California was 56.9 percent. Among the reasons for San Diego's lower homeownership rates are: (1) San Diego's high proportion of transient military personnel; (2) the wide disparity between San Diego's income levels and the high cost of housing locally; (3) the lack of land in the City and region to accommodate low-density forms of housing.

4. Condition

The condition of the housing stock is measured by factors including housing age, extent of overcrowding, and the availability of plumbing for exclusive use. Most of San Diego's housing stock is in good condition. As was stated earlier in the "Age of Housing" section, 93 percent of the housing stock was built after 1940. However, as recently as 2000, according to the Census, San Diego still had 4,012 units with no plumbing for exclusive use. This number constituted 0.9 percent of the housing stock. Also, in 2000, San Diego had 56,266 units, or 12 percent of the total occupied housing stock, that met the U.S. Census Bureau definition of overcrowding (a housing unit containing more than one person per room). Overcrowding has increased since 1990, when San Diego had 40,603 overcrowded units, or ten percent of the total housing stock.

5. Vacancy

Vacant units include (1) units that are readily available to prospective tenants or home buyers and (2) vacant seasonal and migratory units that are generally unavailable to the public. The vacancy rate is a function of the relation between housing costs, supply and demand. It indicates what portion of the housing stock is available to prospective tenants or homebuyers for occupancy over a given time period.

In an ideal housing market, some housing units should always be vacant and available at any given time. Ideally, the vacancy rate should fall between an overbuilt market (usually considered seven percent vacancy) and an "under-built" market (below three percent vacancy). An overbuilt market implies mounting mortgage risks to lenders, investors, and developers; while an "under-built" market tends to restrict residential mobility and increase housing prices as households compete for limited available units.

The vacancy rate declined from 7.3 percent in 1994 to approximately three percent in January 2004 and averaging just above that through March 2005.²² This vacancy rate falls very close to the “under-built” market. The recent low rate of rental unit construction and the upsurge in condominium conversions has helped keep the vacancy rate low.

The SANDAG 2030 forecast projects that between 2000 and 2030 the overall demand for housing in the region will increase by 30 percent. In 2000, the housing stock in the region was 1,040,149 units whereas by 2030, 313,939 additional housing units will be needed (raising the total to 1,296,496) to accommodate anticipated regional population growth.

6. Cost, Income, and Affordability

Housing affordability is dependent upon income and housing costs. Using updated income guidelines, current housing affordability in terms of home ownership can be estimated for different income groups. According to the HUD income guidelines for 2004, the Median Family Income (MFI) in San Diego County for a four-person family was \$63,400. An extremely low-income family of four (0-30 percent MFI) earned a median income of up to \$20,550. A low-income family (31-50 percent MFI) earned up to \$34,250, and a moderate-income household (51-80 percent MFI) earned up to \$54,800. Given median home prices, home ownership is beyond the reach of extremely low-, low-, and moderate-income households. In fact, the California Association of Realtors estimates that only ten percent of the households in San Diego County can afford the median resale price of \$525,000 for a single-family home. The Housing Commission has published estimates that a family would have to make over \$135,000 per year to be able to afford a median-priced home. Similarly, extremely low-income households cannot afford the median rents in the City and low-income households are confined to studio and one-bedroom apartments.

The federal standard of rental affordability is that a household should spend no more than 30 percent of its gross income for monthly housing costs and utilities. The standard for affordable homeownership is that a household should spend no more than 35 percent of gross monthly income for mortgage, insurance, and taxes. Low-income households have difficulty finding affordable housing, given San Diego’s housing costs. This section discusses the relationship between housing cost, income and affordability for both renters and owners.

Factors affecting housing affordability include interest rates, inflation rate, income, employment trends, land prices and the availability of land zoned for residential use.

22. Vacancy rate calculated as an average of the results of two housing surveys, one by the San Diego County Apartment Association, the other by Market Pointe Realty Associates

a. Owner-Occupied Housing

Every year, the National Association of Home Builders (NAHB) tracks housing affordability in almost 200 metropolitan areas across the country. The NAHB develops a Housing Opportunity Index (HOI) for each area that measures the share of homes sold in that area that is affordable to households earning the median-income. In 2002, the San Diego metropolitan area was the ninth least affordable area they measured. Only 21.6 percent of the homes sold in the San Diego metropolitan area were affordable to the median family. A similar study done by the California Association of Realtors (CAR) in June 2004, reports that only ten percent of county households could afford to buy a median priced, resale, single-family home. According to CAR, the median price for a home in San Diego rose almost 22 percent between 2002 and 2003. This pace increased over the next year. The median home price was \$308,000 in 2002, \$375,000 in 2003, \$409,000 in October 2003 and \$525,000 by the third quarter of 2004.

This rapid increase in median home prices contrasts dramatically with the previous decade. Between 1991 and 1995, for example, the median price for an existing single-family home declined by 9.6 percent, \$193,500 to \$175,000.²³ In November 1993, according to the *San Diego Union Tribune*, the area's affordability index stood at a record high of 44 percent and the median priced house cost \$174,040. However, this affordability level was achieved during the middle of San Diego's worst recession in 60 years, an era of defense-industry layoffs, bankrupt savings and loans, relatively high interest rates and a glut of new houses that could not be sold. By 1996, as the economy improved, the median price of a home increased ten percent to \$180,000 and rose again to \$182,500 by 1997.²⁴ The price appreciation of single-family homes since 1996 has significantly decreased affordability for single-family homes. Since then, housing construction has not kept pace with population growth.

To increase homeownership affordability, financial institutions in the City of San Diego are addressing requirements under the Community Reinvestment Act to broaden service to all parts of the City. These efforts include mortgage lending in low- and moderate-income areas. The City is also providing financial assistance for low-income first-time homebuyers. This funding has come from a variety of sources such as redevelopment financing, the Housing Trust Fund, the federal HOME Investment Partnership Program and tax assistance from the Mortgage Credit Certificate Program. From 1999 through fiscal year 2003, more than 677 San Diego families have received financial aid and/or counseling from the Housing Commission in order to be able to purchase their own homes.

23. Economic Research Bureau, Greater San Diego Chamber of Commerce

24. San Diego Chamber of Commerce, Economic Bulletin, Volume 45, #9

Financial assistance to first-time homebuyers is expected to continue as detailed in Goal IV of Volume I. Also, the City will continue to support the use of redevelopment set-aside funds to construct new owner-occupied units. These factors will increase homeownership opportunities for low-income first-time homebuyers.

b. Rental Housing

Low mortgage rates have caused the proportion of owned living units to rise as compared with rented units nationwide. In San Diego, however, the increase has been slight, mostly due to the severe housing shortage. Renter households accounted for slightly over half of all occupied housing units in San Diego. According to the 2000 Census, the 43 percent of the City's renters paid at least 30 percent of their household income in rent.

Table 18 shows the average rental rates for apartments by number of rooms as tabulated by the consulting firm Market Pointe Realty Advisors in the fall of 2004. The average rental rates in San Diego in 2004 were \$858 for a studio, \$1,010 for a one-bedroom, \$1,223 for a two-bedroom, \$1,547 for a three-bedroom unit and \$1,596 for four-bedrooms.

TABLE 18
RENTAL RATES IN SAN DIEGO COUNTY

| Bedrooms | Average Price | Average Sq. Ft. | Average \$/Sq. Ft. |
|-----------------|----------------------|------------------------|---------------------------|
| Studio | \$858 | 488 | 1.76 |
| 1-Bedroom | \$1,010 | 683 | 1.48 |
| 2-Bedroom | \$1,223 | 946 | 1.29 |
| 3-Bedroom | \$1,547 | 1,193 | 1.30 |
| 4-Bedroom | \$1,596 | 1,295 | 1.23 |

Source: Market Pointe Realty Advisors, Oct. 2004 Rental Trends Executive Summary

Table 19 shows that rental unit affordability is not meaningfully affected by unit size. Put another way, a studio is roughly equally unaffordable to a single person as a four-bedroom house is to a multiple-income family of five. A comparison of average rental rates in **Tables 18** and **19** with the San Diego Housing Commission's Income and Rent Calculations Chart (**Table 20**) shows this relationship.

Average rents tend to be affordable only at the top end of the low-income range. A one-bedroom apartment at the October 2004 average rent of \$858, for example, would be affordable at 80 percent of AMI or the top of the low-income range. A two-bedroom apartment at \$1,186 would also be affordable only at 80 percent of AMI.

**TABLE 19
RENTAL RATES IN COMPARISON TO AFFORDABILITY
SAN DIEGO, FALL 2003**

| Bedrooms | Average Monthly Rent | Affordability Relation to AMI* |
|-----------------|-----------------------------|---------------------------------------|
| Studio | \$858 | 80% |
| 1-Bedroom | \$1,010 | 80% |
| 2-Bedroom | \$1,223 | 80% |
| 3-Bedroom | \$1,547 | 100% |
| 4-Bedroom | \$1,596 | 80% |

Source: Market Pointe Realty Advisors, Oct. 2004 Rental Trends Executive Summary, City of San Diego, Housing Commission

*AMI = Area Median Income

Table 20 identifies affordable monthly housing costs, including utilities, for very low-, low-, and moderate-income households, by household size and relation to median income for San Diego County. **Table 20** indicates that in 2004, an affordable housing unit for a two-person household with income equal to 60 percent of AMI should rent for no more than \$822, including utilities. After adjusting for utilities, a comparison of affordable rental rates (**Table 19**) to the average county rental rates (**Tables 19** and **20**) shows that only two-person households near the top end of the low-income scale can afford to rent a one-bedroom unit. A gross income of \$43,850 is necessary to afford the average one-bedroom unit renting in the region for \$1,010 per month. Therefore, the average one-bedroom rental unit is unaffordable to all one- and two-person very low-income households, most one-person low-income households, and some two-person low-income households. For two-bedroom units in the region, the average rent is \$1,223. This level of rent requires an income of at least \$49,300 to be affordable.

The relationship between income and affordability is particularly problematic for large, low-income households. For example, a six-person household at 50 percent of the AMI would have an income of \$39,750 and could afford to spend \$994 per month for housing. However, the average cost for a three-bedroom apartment is \$1,505 per month, which would require an income of about \$63,000 to be affordable. For a six-person household, \$63,000 is about 80 percent of AMI.

Approximately 65 percent of the elderly population overpays for housing and 51.5 percent of all low-income large households overpay for housing. Overall, approximately 65 percent of all low-income renters overpay for rental housing.

**TABLE 20
INCOME AND AFFORDABILITY RENT CALCULATION**

| | | 30% AMI ¹ | | 40% AMI | | 50% AMI | | 60% AMI | |
|-------------|-----------|----------------------------|-------------------------|---------------|------------|---------------|------------|-----------------|------------|
| Family Size | Unit Size | Annual Income ² | Gross Rent ³ | Annual Income | Gross Rent | Annual Income | Gross Rent | Annual Income | Gross Rent |
| ONE | STUDIO | \$14,400 | \$360 | \$19,200 | \$480 | \$24,000 | \$600 | \$28,800 | \$720 |
| TWO | 1-BR | \$16,450 | \$411 | \$21,900 | \$548 | \$27,400 | \$685 | \$32,880 | \$822 |
| THREE | 2-BR | \$18,500 | \$463 | \$24,650 | \$616 | \$30,850 | \$771 | \$37,020 | \$926 |
| FOUR | 3-BR | \$20,550 | \$514 | \$27,400 | \$685 | \$34,250 | \$856 | \$41,100 | \$1,028 |
| FIVE | 4-BR | \$22,200 | \$555 | \$29,600 | \$740 | \$37,000 | \$925 | \$44,400 | \$1,110 |
| SIX | 5-BR | \$23,850 | \$596 | \$31,800 | \$795 | \$39,750 | \$994 | \$47,700 | \$1,193 |
| SEVEN | 6-BR | \$25,500 | \$638 | \$34,000 | \$850 | \$42,450 | \$1,061 | \$50,940 | \$1,274 |
| EIGHT | | \$27,150 | | \$36,150 | | \$45,200 | | \$54,240 | |
| | | 65% AMI | | 70% AMI | | 80% AMI | | 100% AMI | |
| Family Size | Unit Size | Annual Income | Gross Rent | Annual Income | Gross Rent | Annual Income | Gross Rent | Annual Income | Gross Rent |
| ONE | STUDIO | \$31,150 | \$779 | \$33,550 | \$839 | \$38,350 | \$959 | \$44,400 | \$1,110 |
| TWO | 1-BR | \$35,600 | \$890 | \$38,350 | \$959 | \$43,850 | \$1,096 | \$50,700 | \$1,268 |
| THREE | 2-BR | \$40,050 | \$1,001 | \$43,150 | \$1,079 | \$49,300 | \$1,233 | \$57,050 | \$1,426 |
| FOUR | 3-BR | \$44,550 | \$1,114 | \$47,950 | \$1,199 | \$54,800 | \$1,370 | \$63,400 | \$1,585 |
| FIVE | 4-BR | \$48,100 | \$1,203 | \$51,800 | \$1,295 | \$59,200 | \$1,480 | \$68,450 | \$1,711 |
| SIX | 5-BR | \$51,650 | \$1,291 | \$55,600 | \$1,390 | \$63,550 | \$1,589 | \$73,550 | \$1,839 |
| SEVEN | 6-BR | \$55,200 | \$1,380 | \$59,450 | \$1,486 | \$67,950 | \$1,699 | \$78,600 | \$1,965 |
| EIGHT | | \$58,750 | | \$63,300 | | \$72,350 | | \$83,700 | |

Source: San Diego Housing Commission

1. The U.S. Department of Housing and Urban Development 2004 San Diego median-income for a family of four was \$63,400
2. Annual income = Gross annual income adjusted by family size for Area Median Income (AMI) level. May contain additional adjustments as determined annually by HUD
3. Gross rent = cash rent plus the tenant-paid utilities

TABLE 21
CITY OF SAN DIEGO
LOW-INCOME RENTERS OVERPAYING FOR HOUSING

| Income Level | Elderly Households²⁵ | Percent | Large Households²⁶ | Percent | Total Renters²⁷ | Percent |
|--------------------------------------|--|----------------|--------------------------------------|----------------|-----------------------------------|----------------|
| 0-30% MFI ²⁸ | 7,425 | — | 6,145 | — | 44,080 | — |
| Overpaying ²⁹ | 4,967 | 66.9% | 5,070 | 82.5% | 34,162 | 77.5% |
| 31-50% MFI | 5,503 | — | 6,760 | — | 37,033 | — |
| Overpaying | 3,874 | 70.4% | 3,637 | 53.8% | 27,145 | 73.3% |
| 51-80% MFI | 4,459 | — | 6,740 | — | 47,383 | — |
| Overpaying | 2,506 | 56.2% | 1,402 | 20.8% | 21,749 | 45.9% |
| Total Low-Income³⁰ | 17,387 | — | 19,645 | — | 128,496 | — |
| Total Overpaying³¹ | 11,347 | 65.3% | 10,109 | 51.5% | 83,056 | 64.6% |

The City’s policies and programs to address housing costs for low-income and large, low-income households are detailed in Volume I.

E. Employment Trends and Forecasts

In the early 1990s the local economy was significantly restructured as manufacturing, particularly defense related manufacturing, declined significantly as a result of the end of the Cold War. The closure of the Naval Training Center also affected San Diego, but was mitigated by increased military jobs as new military functions were brought to San Diego. Because the San Diego region is transitioning into a modern, export-driven economy, and the results of this transition are not known, it is important to now look at the fundamental structure of our economy and determine what direction it will take into the 21st Century. Instead of focusing on the manufacturing sector as the primary driver of the region’s economy, today, employment clusters—groups of complementary, competing and interdependent industries that drive wealth creation in a region—are emerging as the engines of economic activity, capable of providing a rising standard of living for the region.

According to SANDAG, in 2000, the region’s total civilian employment was estimated at 1,294,583 civilian employees, an increase of 11.53 percent (149,317)

- 25. Elderly household: A one- or two-person household in which the head of household is at least 62 years of age
- 26. The U.S. Department of Housing and Urban Development defines large households as those with five or more related persons
- 27. Includes elderly, small-related (2-4 persons), large-related (5+ persons), and “all other” households
- 28. MFI - Median Family Income
- 29. Includes renter households paying over 30 percent of their income on housing costs
- 30. Includes all renter households within the (0-80%) MFI category
- 31. Includes low-income households overpaying

from 1990. Employment in the San Diego region is expected to grow by 32 percent by the year 2030 to 1,824,030. Historically, San Diego's leading employment clusters have been manufacturing, defense and tourism. Since 1990, several new economic clusters have emerged in the region, creating new employment opportunities while other clusters have been contracting. The number of new jobs doubled in the recreational goods and biotechnology/pharmaceuticals clusters, and in the communications and software/computer services clusters. The business services cluster has generated the highest number of new jobs (44,615 new jobs, 85 percent increase), and the recreation goods cluster has grown the most rapidly (2,947 new jobs, 148 percent increase). Other clusters like financial services have grown at a lower rate of ten percent. At the same time, employment in the defense and transportation manufacturing cluster has declined by 60 percent.

The Preliminary 2030 forecast projects that the stagnation in manufacturing employment will continue while the fastest growing economic clusters will be biotechnology, pharmaceuticals and telecommunications.

F. Redevelopment

State and local redevelopment laws include housing requirements for redevelopment projects. California Redevelopment Law requires that 20 percent of tax increment revenue derived from a redevelopment project area be set aside to improve the supply of housing for very low-, low- and moderate-income households. Additionally, Redevelopment Law requires that 30 percent of all new or rehabilitated housing developed by the Redevelopment Agency be affordable to low- or moderate-income households. Of this 30 percent, 50 percent of the units must be affordable to very low-income households. Additionally, 15 percent of all new or rehabilitated housing developed within the project area by entities other than the Redevelopment Agency must be affordable to low- or moderate- income households, with 40 percent of this 15 percent being available to very low-income households.

Redevelopment Law also requires that the Redevelopment Agency replace any low- or moderate-income housing units removed from a project area as the result of Redevelopment Agency actions. As required by Redevelopment Law, 20 percent of all tax increment funds allocated to the agency are placed in a Low- and Moderate-Income Housing Fund to assist in the construction and rehabilitation of housing units for low- and moderate-income residents. These requirements have been met by the Redevelopment Agency. Goal V, "Use of Redevelopment Set-Aside Funds," describes how redevelopment set-aside funds are proposed for use in the next Housing Element.

The City of San Diego established several redevelopment project areas. The largest are City Heights (2,062 acres), Centre City (1,450 acres) and North Bay (1,350 acres). The Centre City Development Corporation (CCDC) administers the Centre City Redevelopment Area and the Southeastern Economic Development Corporation (SEDC) administers the redevelopment areas in the southeastern communities of San Diego. The City's Redevelopment Agency administers the remaining redevelopment areas.

1. Centre City Development Corporation

Centre City Development Corporation (CCDC) is a public, nonprofit agency created by the City of San Diego in 1975 to implement downtown redevelopment activities. The CCDC is responsible for a wide range of activities including planning, zoning administration, property acquisition and disposition, and working with development teams to facilitate rehabilitation projects, new construction and public improvements. The corporation encourages economic growth, the development of homes and infrastructure, and the creation of new jobs.

Originally, CCDC's area of responsibility included 325 acres. Adoption of the Centre City Redevelopment Project in 1992 merged three of the original four project areas and expanded CCDC's area of responsibility to 1,445 acres.

Since 1975, 9,475 dwelling units have been developed or rehabilitated within the Centre City Redevelopment Project area. Of these, 1,690 units or 18 percent are reserved for very low- or low-income residents. Of the 1,690 income-restricted units, 1,261 units or 75 percent are for very low-income households with incomes at or below 50 percent of area median.

Downtown offers a wide array of housing options including single room occupancy (SRO) hotels, lofts, apartments, condominiums, town homes and senior housing. Recent large- and small-scale residential developments have transformed many parts of downtown from commercial and industrial warehouse areas to vibrant residential neighborhoods. Rapid growth over the past five years, coupled with the escalating cost to produce housing, has fueled heightened efforts to ensure that downtown provides housing options for people at all income levels.

2. Southeastern Economic Development Corporation

The Southeastern Economic Development Corporation (SEDC) is a public nonprofit corporation, incorporated in 1981. As an independent corporation, it is charged with all redevelopment activities within a seven square mile area known as southeastern San Diego. The SEDC is responsible for four adopted project areas: Central Imperial, Mount Hope, Gateway Center West, Southcrest and one study area, Dells/Imperial. The corporation focuses on redevelopment and economic development activities throughout the various project areas. The creation and preservation of housing, including low- and moderate-income housing is a major objective for the corporation. Thirty percent of all new or rehabilitated housing units developed by SEDC must be for low- or moderate-income households. Of these units, at least 50 percent must be for very low-income households.

In the early years of the corporation, very little investment capital had been targeted within SEDC's area of influence. The result of this disinvestment was various levels of blight and deterioration and very few sources for quality goods and services. In recent years, SEDC has successfully attracted a number of developers who were willing to enter into private/public partnerships, helping to improve those areas that just ten-15 years ago were blighted.

To increase homeownership opportunities and promote neighborhood stability, SEDC has implemented a Shared Equity Program. Through this program, financial assistance is available to qualified first-time homebuyers in the form of equity participation (Shared Equity) loan, secured by a second deed of trust. The SEDC continues its campaign to increase the number of first-time homebuyers. The corporation continues to conduct a series of free workshops that provide instruction on all aspects of homeownership, including loan qualifications, realtor selection and the credit system.

Over the next five years a minimum of 2,500 units are planned for development within SEDC's area of influence. This higher-density housing will add to the housing stock and provide additional alternatives to a severely impacted housing market.

3. City of San Diego Community and Economic Development Department

The Redevelopment Division of the Community and Economic Development Department staffs the Redevelopment Agency (City Council) and, as of December 2004, administers ten active redevelopment project areas totaling 6,643 acres: Barrio Logan, City Heights, College Community, College Grove, Crossroads, Grantville, Linda Vista, Naval Training Center, North Bay, North Park and San Ysidro. An eleventh project area, Market Street Industrial Park, was terminated in 2000 as the plan objectives had been completed.

The division has sponsored two First Time Homebuyer programs for low- and moderate-income buyers—in Linda Vista (nine units) and City Heights (14 completed units, ten in the pipeline). The division also has three Housing Rehabilitation programs for low- and moderate-income homeowners, one established in 1991 and the others within the last few years—in Mt. Hope (69 units in the SEDC area, funded by the division's Market Street Project Area), City Heights (seven completed and 78 pipeline) and Crossroads (30 pipeline).

In addition to 144 very low- and low-income rental units in Barrio Logan completed in 1994, and after a period of low revenue due to economic recession in the late 1990s, in 2003 the division completed 116 town homes in City Heights, including 34 low-income rentals. In 2004 another 120 rental apartments in City Heights (of which 118 are very low-income) and eight low-income for-sale units in San Ysidro were finished.

As revenues have begun to accelerate in the division's mostly young project areas recently, so have the number of affordable housing projects under agreement. At the start of 2005, City Heights has another 90 very low-income senior rental units in the pipeline. In North Park's pipeline, division funding has been provided for 14 moderate-income for-sale town homes and 45 moderate-income condominiums out of a project total of 224 units, with 94 very low-income senior rental units also receiving subsidy. North Bay has contributed to 112 very low-income treatment beds and 18 moderate-income rentals in a project of 184 units.

All of these projects are anticipated to reach completion by the end of calendar year 2006.

Currently, at least ten additional affordable housing projects are under consideration by the Redevelopment Division in North Park, City Heights, Barrio Logan and elsewhere. These are being evaluated under the new \$55 million Redevelopment Affordable Housing Program (NOFA). This process, in which the Redevelopment Agency (the City Redevelopment Division, Centre City Development Corporation, and Southeastern Economic Development Corporation) collaborates with the San Diego Housing Commission, has reviewed 18 applications from developers in an on-going program to facilitate funding for new affordable housing units in the City of San Diego. The Agency so far has approved five of these proposals for a total of 423 new low-mod units citywide.

G. Preservation of Existing Affordable Housing

This section contains an inventory and comparative analysis of the costs involved in replacing units at risk of conversion from affordable housing to market rents during both the Group 1, FY 2006 through FY 2010, and Group 2, FY 2010 through FY 2015 analysis periods. The Analysis calculates the cost to replace, through new construction or acquisition and rehab, the same “at-risk” units in comparable size and rent levels. San Diego Housing Commission staff used most current development, acquisition and rehabilitation costs in the analysis.

The purpose of this analysis is to compare the cost of options available to the jurisdiction when faced with a potential conversion problem, and to determine the level of local subsidies required to assist in preservation efforts. The cost analysis will enable the City to use a “bottom line” approach as programs are developed and available resources targeted to preserve units at risk of conversion.

A total of 4,094 affordable units are eligible to convert to market rate rents during the FY 2006 through FY 2010 reporting period. Most of these units are “at-risk” due to options available to current owners to prepay existing federal mortgages. Estimates indicate that it would cost the City over \$719 million to replace those units through new construction and over \$359 million to replace those units through acquisition and rehabilitation. Estimated acquisition costs factored in possible rehab cost to bring units up to health and safety standards or to remove asbestos and lead-based paint hazards. It should be noted that 2,092 units are in projects owned by nonprofits, and although eligible for conversion, those projects are generally regarded as being at low risk for conversion to market rate housing. The City will monitor those nonprofit projects, but anticipates that any preservation opportunities will come from for-profit ownership projects.

A total of 877 affordable units are eligible to convert to market rate rents during the FY 2010 through FY 2015 reporting period. Most of these units are “at-risk” due to the expiration of Multifamily Bond financing. Estimates indicate that it would cost the locality over \$160 million to replace those units through new construction and nearly \$80 million to replace those units through acquisition and rehabilitation.

The City is at risk of losing a total of 4,971 affordable units from its affordable housing stock, from FY 2006 through FY 2015, due to the prepayment of subsidized mortgages and the expiration of affordability restrictions. Most of these units are “at-risk” due to options available to current owners to prepay existing federal mortgages, or the expiration of multifamily bonds. Estimates indicate that it would cost the locality over \$880 million to replace them through new construction and almost \$440 million to replace those units through acquisition and rehabilitation. Owners of multifamily bond projects may agree to amend existing bond documents to extend the terms of affordability, at no cost to the jurisdiction.

Localities can anticipate limited federal and state assistance in preserving the affordability of these units. Therefore, the need for local assistance is much greater in this instance. Faced with greater preservation costs, replacement of lost units through acquisition and rehabilitation appears to be the most cost-effective option.

The cost analysis makes clear the need for access to all available financial resources in order to prevent the loss of “at-risk” units. Moreover, the analysis also makes clear the need to work with organizational resources to achieve preservation targets. Reliance on local or even state or federal financing programs alone is not sufficient to assure preservation, given the extensiveness of the conversion problem.

There has been such a variety of financing and subsidy programs used to build affordable housing in the past, that existing state and federal financing or incentive preservation programs do not address the possible conversion of many nonfederal financed housing projects, such as density bonus units. Finally, long-term preservation is not guaranteed without enlisting the active support and participation of tenants and local nonprofit agencies willing to acquire and maintain “at-risk” units as permanently affordable housing.

Total Local Sources

The City will consider the use of those local funds listed below to support the preservation or replacement of “at-risk” units:

| Private Potential Sources | FY 06 | FY 07 | FY 08 | FY 09 | FY 10 |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|
| CDBG | \$18M | \$18M | \$18M | \$18M | \$18M |
| HOME | 7M | 7M | 7M | 7M | 7M |
| Housing Trust Fund | 2M | 2M | 2M | 2M | 2M |
| Housing Commission | 1M | 1M | 1M | 1M | 1M |
| Redevelopment Set Aside | 3M | 3M | 3M | 3M | 3M |
| Total | \$31M | \$31M | \$31M | \$31M | \$31M |
| Grand Total \$155 Million | | | | | |

As can be seen, the City has at its discretion approximately \$31 million annually. It must be noted that a significant portion of those funding sources are currently used to support ongoing community development activities, and to support the wide range of activities

which comprise this City's multifaceted affordable housing strategy. Even if the City were to commit all available resources to preserve "at-risk" units, there are not sufficient funds to preserve all "at-risk" units.

Allocation of all funds from these sources to support preservation activities would deprive other affordable housing and community development activities of sufficient support to guarantee their continuation or the successful implementation of new activities in these areas. Therefore, while the City will consider the use of these funds for preservation of "at-risk" units, it is highly unlikely that all such funds will be used for this purpose.

Preservation Objective

The U.S. Department of Housing and Urban Development (HUD), working with the City of San Diego, will take the following steps to protect the low- and very low-income households of those projects:

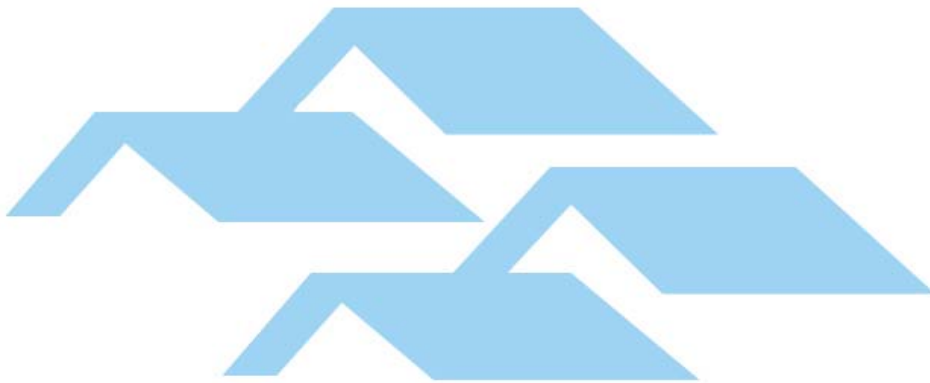
- Unassisted low- and very low-income households residing in those federal mortgaged projects may be eligible for Preservation Section 8 vouchers. HUD will provide vouchers subject to availability of federal funds.
- A household living in a Section 8 project based assisted unit under an existing Housing Assistance Payments (HAP) Contract may continue to reside in the project until the contract expires. The resident will receive a Section 8 voucher when the HAP contract expires.

The 1997 Federal Appropriations Act also provided Section 8 assistance to prevent displacement, and expand the scope of eligibility to include all low-income families, and moderate-income families who are elderly or disabled or families who are residing in a low-vacancy area (three percent or less vacancies). All recipients must reside in the housing on the date of prepayment. The San Diego HUD Office will work with the property owners and the San Diego Housing Commission to ensure that the above steps for protecting the residents are implemented.

If current owners do not wish to retain those units as affordable, the City may provide assistance to private nonprofit or for-profit entities interested in purchasing and managing those projects as affordable housing. In the event that no interested and capable private entities are available to assume control of those "at-risk" units, the City, through its Housing Commission, can pursue ownership and management of those units for which retention as affordable dwellings is considered important in meeting the housing needs of low-income residents. The City will utilize this flexible approach to retain as many units as financially feasible in its affordable housing stock.

Given the level of local, state and federal financing anticipated to be available, during the Group 1 analysis period, the preservation objective during this period is 500 units, or approximately ten percent of the total number of assisted units eligible to convert to market rate housing.

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Constraints to Development

CONSTRAINTS TO DEVELOPMENT

A. Governmental Constraints

1. Land Use Controls

The community plans in aggregate comprise the Land Use Element of the Progress Guide and General Plan and are evaluated regularly to determine whether the land use plan or its implementing actions need updating. As such, they specify the location and intensity of proposed residential development and the spatial relationship to other land uses and supporting facilities and services. The community plans are therefore a primary vehicle for carrying out the policies and programs of the Housing Element.

Where a particular community plan is out of date with respect to land use and transportation issues, the City will work closely with the appropriate community planning group, as well as other interests to update it. In other situations where the land use plan is adequate, the City will focus on identifying a comprehensive action program to achieve the community's goals beyond simply land use.

The Planning Department is currently in the process of updating the City's Progress Guide and General Plan.

2. Planned District Ordinances

San Diego has over 20 individual Planned Districts in addition to the citywide zoning in the Land Development Code. Most of the Planned Districts are in the older urbanized communities and include specific design criteria intended to make multiple unit structures more compatible with nearby single-family structures. However, the continued reliance on the PDOs creates a confusing array of design standards and regulations which make administration difficult. They also contribute to increased housing development costs because individual developers must vary their product designs to meet the different requirements.

As individual Planned Districts are updated, the City intends to consolidate Planned Districts where possible or use the citywide zones in the Planned District areas, perhaps with some tailoring to specific circumstances where necessary.

In recognition of the complexity of San Diego's zoning code and its impact on development processing, in 1993, the City embarked on an update of the zoning code. The update has been completed and is called the "Land Development Code." In October 1999, the City Council adopted the Land Development Code; final certification by the California Coastal Commission occurred in November 1999 and went into effect on January 1, 2000.

With respect to its impact on housing affordability issues, the new zoning code reduces review process procedure requirements for single unit and multiple unit residential development and under certain conditions makes the development process

less time consuming and more predictable. In addition, these changes will reduce the costs of development review for certain housing projects and allow provisions for alternative housing types such as townhouse units and small lot development.

Overall, the Land Development Code simplifies and consolidates zones. It creates new transit oriented zones including the Urban Village Zone, Small Lot Zone and Townhouse Zone in order to encourage higher-density transit-oriented development. Additionally, multi-unit developments proposed for a legally created lot are now permitted through a ministerial action to enable an owner to generate the maximum number of units permitted by the designated zoning. A threshold requirement, which required multiple unit projects exceeding the threshold to obtain a discretionary land use permit, was eliminated. However, multiple unit developments involving lot consolidation must still obtain a discretionary permit if they exceed a specified threshold.

The revised regulations also codify adopted policies or clarify regulations that provide mechanisms for encouraging higher-density mixed-use development through the use of zones, overlays, and transit corridors that offer other forms of housing. Through these changes, potential affordable housing developments would be encouraged. Mixed-use developments do still require a discretionary land use permit in order to help assure high design quality. Finally, the updated zoning code and development regulations would still allow residential developments to achieve the maximum number of units permitted by the underlying zone.

3. Competing Land Uses

San Diego has limited land available for all uses. While a significant amount of land is currently vacant, only a small portion of this vacant land will be available for residential use in the future. Most of the remaining vacant land is designated for park and open space use, military use, airports and employment land. In the future, most additional residential development will occur as a result of redevelopment and more efficient use of existing residential land. In addition some commercial areas may be re-designated for mixed-use development including housing. The areas which may be used for housing are primarily those that are located near transit stations, major commercial corridors and in “village” locations that may be designated in the future in community plans.

4. Collocation with Industrial Uses

The San Diego City Council is currently fine tuning a policy for collocation of residential uses on land designated primarily for industrial use. In San Diego there is little heavy industry and some of the designated industrial areas are actually modern business park employment areas where residential uses might not create a conflict.

However, the current collocation policy is quite restrictive due to concerns about potential loss of employment lands and the ability to locate those employment uses that utilize chemicals or other materials that residents would be sensitive to.

5. Use of Military Lands for Housing

Portions of the several military bases in San Diego away from runways and sensitive uses are used for housing military personnel. Currently, a portion of Miramar Marine Air Station is being proposed for a large on-base residential area with over 1,000 units. No further San Diego bases are scheduled to close in the 2005-2010 timeframe, so no non-military uses will be possible on these lands in the near future.

6. Conflicts with Airport Land Use Plans

As of the time of the writing of this Housing Element, the San Diego County Regional Airport Authority, serving as the Airport Land Use Commission (ALUC), is in the process of drafting an Airport Land Use Compatibility Plan (ALUCP) that addresses all of the airports in San Diego County, including the seven airports located in or adjacent to the City. As required by state law, the Compatibility Plan attempts to promote compatibility between the airports and the land uses surrounding them to the extent that these areas do not already contain existing land uses that are incompatible with the Plan. Where affected, state law requires the City to modify its general plan, specific plans, and zoning ordinances to be consistent with the Compatibility Plan or to take special steps to have the City Council overrule the ALUC with a two-thirds vote.

While the Compatibility Plan has not been adopted by the ALUC, based upon the most recent public review draft the City would need to amend the General Plan, community plans, and zoning ordinances for areas affected to residential densities that are consistent with the residential density criteria listed in the Compatibility Plan for each airport. This could potentially reduce the number of future housing units built in many of these areas. In certain areas, the Compatibility Plan criteria does not allow for any new residential development. Specifically, multifamily residential and multiple-use designated areas within community planning areas surrounding San Diego International Airport would be the most affected by the Compatibility Plan. The City will continue to work with the ALUC to reduce potential impacts to future housing opportunities while still maintaining safety and limiting impacts from aircraft noise.

7. Open Space Requirements

The City uses the following zones to designate open space: OP (Open Space—Park), OC (Open Space—Conservation), OR (Open Space—Residential) and OF (Open Space—Floodplain). The purpose of the Open Space zones is to maintain San Diego's unique feel, by protecting lands for outdoor recreation, education, and scenic and visual enjoyment; to control urban form and design; and to facilitate the preservation of environmentally sensitive lands. In the case of the OF zone, it is to protect public safety by controlling development within areas that are at risk for flooding.

As of 2005, San Diego has nearly reached buildout, with less than ten percent of the developable land in the City still vacant. As such, the City's open space requirements

are clearly a constraint on development of housing. It is a constraint, nevertheless, that our citizens have been willing to accept in order to preserve that which makes San Diego a special place to live.

8. Road Connection Limitations

One of the more important constraints to increased residential construction is that roads are already at or near capacity. One reason for this is that a number of key road segments, included for many years in community plans, have not been built due to community opposition. As a result, traffic has had to be diverted onto freeways and arterials. Some of the missing road and bridge connections are within individual communities and others connect different communities.

9. Community Plan and Zoning Constraints

Residential development in San Diego is constrained by many restrictions contained in community plans, the zoning code and elsewhere in the Municipal Code. Citizen propositions have resulted in many of these restrictions. In many areas of the City including entire communities, height is restricted. Some community plans contain a residential unit cap. Others have a building cap related to traffic expressed in terms of estimated number of trips produced. In downtown, development is capped by floor area ratio limitations. While many of these limitations are based on health and safety concerns, others are illogical or outdated. Efforts to allow greater residential development and increased density in San Diego have been often met by intense opposition from people in communities who believe that infrastructure and services are insufficient to support more residential development.

10. Codes and Enforcement

Of the codes addressing construction within the City of San Diego, one of the most constraining to development is 132.0505, which came into effect in December 1972 following a public referendum. This code sets a 30-foot height limit on buildings within the Coastal Zone. Such a limit severely restricts the possible build densities in a large part of the City. The ordinance is unlikely to be changed at any point in the foreseeable future.

11. Fees and Exactions

a. Inclusionary Requirement/In-Lieu Fee

In order to encourage diverse and balanced neighborhoods with housing available for households of all income levels, the City has in place an inclusionary low-income housing requirement on nearly all new residential development. This ordinance is detailed in the municipal code, Chapter 14, Article 3, Division 04 paragraph 5d for the North City Future Urbanizing Area and Chapter 14, Article 2, Division 13 for the rest of the City.

For most of the City (excepting portions of the North City Future Urbanizing Area) the ordinance requires that ten percent of the units in a given development be affordable to low-income renters or buyers. Developers are also offered the option of paying a fee, in-lieu of providing the units. Since this law went into effect, most developers have elected to pay the fee, as it was much less costly than building the units. It remains to be seen if this will continue to be the case, however, as the fee is scheduled to rise sharply over the next few years.

In the North City Future Urbanizing Area, developers are required to set aside no less than 20 percent of their units for families earning no more than 65 percent of the AMI, or they may donate to the City developable land of equivalent value.

Developers have opposed the City's inclusionary requirements, saying that they increase development costs and inhibit construction of new housing. However, there is no clear evidence that housing prices in San Diego County areas with inclusionary requirements are higher than those in areas without such requirements. Evidence is also lacking that construction has been reduced in areas with inclusionary requirements.

b. Development Impact Fees (DIFs) and Facilities Benefit Assessments (FBAs)

In the City's designated Planned Urbanizing Areas, in order to finance the public facilities which will be needed for new development, builders of residential housing are required to pay a Facilities Benefit Assessment. The FBAs are calculated based on the number of units constructed and the estimated cost of the needed facilities. In the older Urbanized Areas of the City, builders are required to pay Development Impact Fees, which are to mitigate the impact of the development on existing public facilities.

c. Park and Recreational Facilities Fees

In addition to DIFs/FBAs, builders of new housing are required to pay a per-unit fee to be used for the acquisition and maintenance of park and recreational facilities. The fees are as follows:

For multifamily dwellings—\$75 per unit
For single-family dwellings—\$100 per unit

These fees have not come close to making up the City's public facilities deficit, which is estimated at more than \$2.5 billion. Therefore, much higher fees have been proposed but are very controversial because higher development fees may only have the effect of slowing or stopping construction.

12. Processing and Permit Procedures

The Development Services Department has worked steadily to reduce backlog and permit processing times. It has had some success, most notably with its Affordable Housing Expedite Program, which has won wide praise from developers. Nevertheless, developers and builders continue to cite lengthy permit processing times as a significant constraint on development.

A Technical Advisory Committee has been formed and has been actively advising the Development Services Department on project processing issues. The goal of this group is to streamline processing, reduce project review time and increase certainty in the review process.

Development Services, starting in July 2003, increased its focus on improving customer service. In previous years, the primary focus for Development Services was operational improvement through the implementation of "Process 2000" and organization restructuring including the consolidation of project management functions into one division, use of multi-disciplinary teams for plan reviews, and development of a new computer system called the Project Tracking System (PTS) that supports the improved process. With the department's process improvements substantially completed, and the department financially stable, greater effort can now be focused on improving customer service.

13. Persons with Disabilities (SB520)

One of the primary constraints to developing housing accessible to persons with disabilities is the lack of legal requirements for single-family homes to be accessible. By contrast, all new multifamily housing in San Diego is built to the accessibility requirements in the California Building Code. While some in the disabled community believe that these requirements do not go far enough, the lack of any law addressing single-family housing results in very few accessible single-family units.

The City of San Diego is currently working with all stakeholders, including representatives from the disabled community and the building industry, to put together a package of minimum accessibility requirements for single-family homes. Among the options the City is looking at are financial or other incentives for developers that build accessible homes.

While San Diego does not currently have a formal policy for providing reasonable accommodation for persons with disabilities, individual requests for reasonable accommodation are evaluated on a case-by case basis.

14. Parking Requirements

The general parking requirements for residential developments in the City of San Diego were established to provide for a safe and efficient transportation system; to encourage transportation mode alternatives to the single-occupant vehicle; to reduce traffic congestion and improve air quality; to minimize development costs by including parking reductions in transit areas, shared parking for mixed-use projects,

lower parking requirements for older pedestrian oriented communities, tandem parking, and setting parking requirements no higher than necessary to accommodate demand for most projects (85th percentile) based upon local and national parking studies.

For single-family homes, the ratio is two spaces per dwelling unit. For multifamily residences, the required parking runs from 1.25 spaces per unit for studios under 400 sq. ft. to 2.25 for units of three or more bedrooms. Very low-income and transit area developments have somewhat lower requirements. In parking impact zones (e.g. near campuses or the beach) they are slightly higher.

Recent attempts to reduce parking requirements, particularly for affordable housing developments and for housing near transit facilities have not been supported by City Council due to strong resistance from community groups and residents who believe that on-street parking is insufficient and who argue that reduced parking requirements would reduce the quality of life in San Diego.

B. Nongovernmental Constraints

1. Price of Land

The price of land in San Diego has risen very rapidly in the last decade and is the leading contributor to the very high housing prices in this area. Current land prices make it very difficult for developers to build housing for the lower and middle portions of the market. The City has examined the possibility of utilizing City-owned land as one way to facilitate the development of low-income housing. However, there are very few suitable City-owned parcels available for this purpose.

2. Environmental Justice

Environmental justice is defined in state planning law as the fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies. The City of San Diego, as expressed in policies in the Housing and other elements of the General Plan, is committed to the principle that no racial, ethnic, or economic minority shall bear a disproportionate share of the negative environmental effects of development.

3. Condominium Defect Litigation

Rampant condominium defect litigation greatly reduced the construction of attached units in the late 1990s. Changes in state law that lowered the risks to builders somewhat, as well as increasing market demand for more affordable units, led to a resurgence in condominium construction in the early 2000s. Smaller builders, however, have not yet returned to the condominium field both because they cannot afford the “wrap around” insurance that the larger builders use to cover their risk, as well as due to lack of and high price of available sites.

4. Opposition from the Community

San Diego has over 40 identified community planning areas. Most of these communities have a community planning group which represents the community in most planning related matters. The Planning Department works closely with these groups in preparing and updating community plans and in reviewing and making recommendations on individual projects. Though these groups formally have only an advisory role in the approval process, they are frequently cited by builders as a major obstacle to development. Additionally, community planning groups are composed primarily of business and residential property owners and renters have very little representation.

Much community opposition to housing projects comes from neighbors who live adjacent or proximate to proposed new development. There is often particularly intense opposition to higher-density rental projects.

For now, community opposition to projects is dealt with on an ad-hoc basis. Sometimes developers are able to reach a compromise with community planning groups and interested neighbors or even convince them of the benefit of a project. Sometimes a project is built, community opinion notwithstanding. Other times, the opposition is able to raise enough opposition to deny a project or reduce its size or density.

TABLE 22
GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|--|---|---|---|
| Establish development monitoring system as part of Process 2000. | New project tracking system fully completed and phased in by the end of 2001. | Primary goal has been accomplished. Further improvements will undoubtedly become necessary over time. | This system should continue to be expanded and refined. |
| Update community plans as resources permit. | Plan updates continued with some slowdown when staff resources were unavailable. | Staffing cutbacks over the last few years have slowed plan updates. | While plan updates remain a priority, they are no longer an explicit program in this section of the Housing Element. |
| The City shall aggressively encourage use of the Affordable Housing Density Bonus Program. Based on recent trends and projects now in process, it is anticipated that approximately 740 affordable housing units will be added through FY 2004. Of these, approximately 445 units will be affordable to low-income households and approximately 295 units will be affordable to very low-income units. | A Density Bonus Agreement, CC&Rs and Trust Deed were recorded in February 2002 for the Otay Mesa Family Villas, which provided 42 affordable units. Seven of the 42 units were a result of the density bonus program. In FY 2004, two further agreements completed. | The density bonus program has not been economically attractive to many developers in recent years, but the recent changes in state law may increase interest. It is too early to accurately gauge interest in the revised state density bonus programs. | The City is in the process of revising its density bonus regulations to conform to revised state law. In addition, the City is proposing to enact a local density bonus for projects that build required inclusionary units on site. The City shall encourage use of the available Housing Density Bonus Programs. Based on recent trends and projects now in process, it is anticipated that approximately 375 affordable housing units will be added through FY 2010. Of these, approximately 125 will be affordable to moderate-income homebuyers, 125 units will be affordable to low-income renters and approximately 125 units will be affordable to very low-income renters. |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|---|---|---|--|
| <p><u>Tax Credits and Tax Exempt Bonds:</u> The Housing Commission will promote the use of federal and state tax credits and multifamily Mortgage Revenue Bonds (MRB) to assist in the development of housing for lower-income households. Based on past trends and assuming that San Diego will obtain the necessary bond and tax credit allocation from the state, the City projects that at least 100 units affordable to very low-income households will be built.</p> | <p>1442 units built using tax credits or tax-exempt bonds.</p> | <p>This program was more successful and used more frequently than was anticipated in 1999. The City is now more familiar with use of tax credits and tax-exempt bonds and anticipates continued use of these tools.</p> | <p>Program will be continued, with unit projection raised to 300.</p> |
| <p><u>Coastal Zone Program:</u> State law provides that conversion or demolition of existing residential units occupied by low- and moderate-income households within the Coastal Zone shall only be authorized if provision has been made for the replacement of those units. The City Council Policy to implement the state law requires that such replacement units be affordable to the occupant for a minimum of five years. Pursuant to these requirements, it is anticipated that approximately 20 units of replacement housing will be provided, of which approximately five units would be affordable or potentially affordable to very low-income households. This estimate is based on replacement units currently in the approval process and on the rate of production during the previous seven-year cycle.</p> | <p>The Coastal Affordable Housing Replacement program is administered to ensure owners comply with program requirements. The City of San Diego approved a tenant relocation assistance program for tenants displaced due to condominium conversion.</p> | <p>Increasing pressure to redevelop properties in the Coastal Zone requires retaining this program and increasing the anticipated pace of providing replacement units.</p> | <p>Program remains with replacement units raised to 30 affordable to low-income households and ten affordable to moderate-income households.</p> |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|---|---|---|--|
| <p><u>Section 202, Section 801 and Section 811:</u> The Section 202 program allows no-for-profit corporations to apply for direct loans from HUD to finance the construction or acquisition and rehabilitation of housing for the elderly or hindered/disabled. The City anticipates that approximately 250 units will be constructed through these programs during this Housing Element cycle. These units are available only to very low-income persons and the rents are restricted to 30 percent of gross income.</p> | <p>Approximately 70 units were built with assistance from Section 202 and 42 units were built with assistance from Section 811.</p> | <p>The City will continue to participate with non-profit corporations in seeking Section 202 and 811 loans.</p> | <p>The goal has been lowered from 250 to only 50 units for the next five years based on recent experience.</p> |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|---|---|---|---|
| <p><u>Military Housing:</u> The military proposes to develop approximately 2,188 new housing units for military families by the end of FY 2004.</p> | <p>The Navy completed its Environmental Impact Statement for construction of 1,600 new units at Marine Corps Air Station Miramar, which culminated in a Record of Decision being granted in August 2004. Construction of these units is not projected to begin until FY 2008. Construction of the 1,600 new units is projected to continue over a five-year development period with 20 percent of the units being delivered annually. All 500 Naval Training Center units have been completed and are now occupied. A total of 138 units were delivered in the FY 2002-2003 reporting period. The remaining units were delivered as follows: 27-Feb-03 89 Units; 23-Jun-03 112 Units; 15-Oct-03 106 Units and 16-Jan-04 55 Units. Additionally, in Serra Mesa at the former Military Family Housing community of Cabrillo Heights, demolition of 812 existing units and replacement with 900 new construction units continued. To date, all 812 existing units have been demolished, 325 new construction units have been completed and are now occupied. The 325 units were delivered as follows: 1-Oct-03 50 Units; 19-Jan-04 75 Units; 12-May-04 100 Units; 5-Sep-04 100 Units. Redevelopment of the 545-unit Gateway Military Family Housing community in Point Loma also began in FY 2003. To date 545 existing units have been demolished and no new construction units have been delivered. The 545 units will be replaced with 460 new units. The new units are scheduled to be completed in June 2006.</p> | <p>Only 825 new units were built, with 1357 units demolished. Additional units are under construction and will result in very little overall change in total number of units but replaced units are substantially upgraded.</p> | <p>1,600 new units scheduled to be built by the end of FY 2010.</p> |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|---|---|--|---|
| <u>Student Housing:</u> Current plans on the part of local universities call for adding approximately 3,000 to 5,000 new beds by the end of FY 2004 to serve students. | Over 3,050 new beds added since last Housing Element at the three largest universities: UCSD, SDSU and USD. | Goal was met. | Current plans on the part of local universities call for adding approximately 5000 new beds by the end of FY 2010 to serve students. |
| <u>Mobile Home Parks:</u> It may be possible to add or enable resident acquisition of a minimum of 200 mobile home park spaces, all of which would be affordable to low-income households. | No activity. | High land costs and lack of vacant land now make it infeasible to construct new mobile home parks in San Diego, and pressure to convert existing mobile home parks to more intensive uses has increased in recent years. | Goal of resident acquisition of 200 mobile home park spaces remains the same. |
| <u>Farm Worker Housing:</u> The City shall annually monitor the number of permanent and seasonal farm worker employees in the San Pasqual Valley, where they live and the need for additional housing. If additional housing is found to be needed, the City shall develop appropriate incentives to encourage lessees to provide such housing, with priority given to permanent employees first. | The Real Estate Assets Department (READ) developed a questionnaire to determine a level of demand for farm worker housing. The department also continued efforts to locate funding to purchase and/or provide additional farm worker housing for the San Pasqual Valley Agricultural Preserve. The City's Homeless Administrator worked with police to perform a count of the estimated number of farm workers and day laborers in the San Pasqual Valley to ensure more accurate data for planning purposes. | Goal was met. | City will now seek to provide up to 20 additional mobile home units for farm workers in addition to maintaining existing units in the San Pasqual Valley. The City has incorporated provisions of the State Employee Housing Act into its zoning code which specify that employee housing for six or fewer employees shall be processed as a single-family use and that employee housing for thirteen or fewer employees shall be processed as an agricultural use. |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|--|--|------------------------------------|--|
| <p><u>Housing for the Homeless</u>: It is anticipated that 60,000 bed-nights will be provided annually through the next five-year Housing Element cycle. A goal for short term bed spaces is set at 1,207 beds or an increase of 1,000 over the 1998 year. A goal for long term bed spaces is set at 3,214 or an increase of 1,250 over the 1998 year. A goal for special needs beds are set at 300 beds or an increase of 204 over the 1998 year.</p> | <p>Added 979 beds through FY 2003-2004, including the year-round family shelter, Cortez Hill, which provides shelter for 47 homeless families per night (150 beds/55,000 annual bed-nights).</p> | <p>Short-term goal nearly met.</p> | <p>It is anticipated that, based on current funding levels, 40,500 bed-nights will be provided annually through the next five-year Housing Element cycle. A goal for short-term bed spaces is set at 325 beds or an increase of 200 above the 2004 level. A goal for long-term bed spaces is set at 2040 or an increase of 300 above the 2004 level. A goal for special needs beds is set at 1200 beds or an increase of 700 above the 2004 level.</p> |
| <p><u>Study of Space and Parking Standards for Emergency Shelters</u>: The Planning Department and the Development Services department will reexamine the space standards and parking requirements currently required for emergency shelters to ensure that they are reasonable and specifically relate to the needs of emergency shelters.</p> | <p>Listing of potential sites for emergency shelter and transitional housing has been maintained on file in the City Clerk's office since November 1997.</p> | <p>Goal accomplished.</p> | <p>Program no longer needed.</p> |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|--|--|---------------------------|-------------------|
| <p><u>Support for Regional Task Force on the Homeless (RTFH):</u> Working through the RTFH, the City will work to identify gaps in services and promote interagency collaborations and partnerships to achieve the most efficient and cost-effective delivery of services. The City will also encourage other local jurisdictions, that have homeless people or people at risk of being homeless, to address their specific human service needs.</p> | <p>The RTFH began an interactive web-based electronic data collection system to assist agencies with reporting information to funders and the collection of aggregate data. As a result of a community grant writing effort, the county was awarded a \$10.1 million grant from the State of California Department of Mental Health to provide housing and services to special needs homeless people. The RTFH assisted the City of San Diego with development of a database and compilation of results of a downtown homeless feeding program survey. The RTFH Homeless Information System provided technical assistance to the City of San Diego winter shelter program operators; including providing data collection trainings and compilation of data in report form.</p> | | <p>No change.</p> |
| <p><u>Listing of Affordable Housing Units:</u> The Housing Commission shall publish and maintain a comprehensive listing of housing developments in the City which have units reserved for lower-income households.</p> | <p>Affordable Housing Resources document updated as needed throughout the year (printed version and website).</p> | <p>Goal accomplished.</p> | <p>No change.</p> |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|--|--|---------------------------|-------------------|
| <p><u>Support for Research and Legislation for Affordable Housing:</u> City will support research by the State and other agencies to identify and adopt new construction methods and technologies to provide affordable housing, and research by the lending industry to adopt innovative financing methods to facilitate affordable housing. Additionally, the City shall seek legislative changes to make affordable housing programs more responsive to the needs of lower-income households.</p> | <p>The City supported numerous pieces of state and federal legislation to help increase the availability of affordable housing in San Diego.</p> | <p>Goal accomplished.</p> | <p>No change.</p> |
| <p><u>Pursuit of State and Federal Funding for Affordable Housing:</u> The City will monitor the status of all existing and potential state and federal funding resources for affordable housing and apply for all competitive State and federal housing monies which would contribute toward meeting San Diego’s affordable housing goals.</p> | <p>The City and the Housing Commission have aggressively pursued all available funding.</p> | <p>Ongoing.</p> | <p>No change.</p> |
| <p><u>Housing Code Enforcement:</u> The City shall continue to support and, where possible, expand its code enforcement activities. Such activities shall emphasize amelioration of defects which threaten the basic health and safety of the occupants and community.</p> | <p>The Neighborhood Code Compliance division inspected thousands of homes from FY 1999 through FY 2004.</p> | <p>Goal accomplished.</p> | <p>No change.</p> |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|--|---|---------------------------|-------------------|
| <p><u>Farmworker Housing Inspection Program:</u> The READ and Neighborhood Code Compliance department shall jointly undertake an annual inspection program of the 36 City-owned farmworker houses in San Pasqual Valley to ensure that they meet minimum health and safety standards. Such inspection program shall be cost recoverable. Buildings which are beyond economical repair or a hazard to the public health, safety, and welfare shall be repaired or replaced.</p> | <p>The READ performed annual inspections of leaseholds to include structures located on the leaseholds in order to ensure compliance with the lease. READ coordinated with Neighborhood Code Compliance to perform detailed health and safety compliance inspections when deemed necessary. Five farmworker houses were refurbished during the period of the Housing Element.</p> | <p>Goal accomplished.</p> | <p>No change.</p> |
| <p><u>Mobile Home Inspection Program:</u> Continue to implement a five-year inspection program in which all mobile home parks will be inspected for compliance with minimum health and safety standards. Approximately 1,300 mobile home park spaces shall be inspected annually.</p> | <p>The Neighborhood Code Compliance division inspected thousands of mobile homes during the period of the Housing Element.</p> | <p>Goal accomplished.</p> | <p>No change.</p> |
| <p><u>Housing Maintenance Educational and Training Programs:</u> Self-help training workshops and classes are offered by a variety of organizations and institutions including the San Diego Apartment Association, San Diego Board of Realtors, junior colleges, and other entities. The City will encourage new and existing property owners to participate in the programs through a variety of outreach efforts.</p> | <p>The San Diego County Apartment Association offered classes geared towards maintenance at all levels. They were also beneficial to property owners/managers who wished to increase their knowledge of maintenance, as it relates to budgeting/expense control, scheduling and resident relations.</p> | <p>Goal accomplished.</p> | <p>No change.</p> |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|---|--|---------------------------|-------------------|
| <p><u>Code Enforcement/Rehabilitation Coordination:</u> The Neighborhood Code Compliance department shall refer owners of multifamily housing with multiple code violations to the Housing Commission for possible amelioration with the assistance of Housing Commission rehabilitation programs. The Neighborhood Code Compliance department will also refer owners of multifamily housing with multiple violations in designated redevelopment areas to the appropriate redevelopment entity for possible correction with the assistance of redevelopment funds.</p> | <p>This has been ongoing.</p> | <p>Ongoing.</p> | <p>No change.</p> |
| <p><u>Neighborhood Cleanup Programs:</u> The Housing and Code Enforcement Division of the Neighborhood Code Compliance department and the Metropolitan Wastewater department will cooperate with neighborhood and trade associations and the 'I Love A Clean San Diego' program in neighborhood cleanup campaigns. Such campaigns will be coordinated with systematic code enforcement and rehabilitation programs.</p> | <p>'I Love A Clean San Diego' assists community associations, homeowner associations, civic groups and local businesses in organizing the community cleanups, funded by the City of San Diego Environmental Services department. Each year, the Community Cleanup Program helps approximately 25 communities to coordinate cleanups in neighborhoods throughout the City of San Diego.</p> | <p>Goal accomplished.</p> | <p>No change.</p> |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|---|--|--------------------|---------------------------|
| Monitor at-risk projects: | | | |
| a. Identify and maintain an updated inventory of at-risk projects through the use of existing databases. | An inventory of at-risk projects was drafted. In addition the Housing Commission has created databases for multifamily bond projects and projects with Housing Commission loans/assistance. These databases and inventory were updated regularly. | Goal accomplished. | No change. |
| b. Create an early warning 'tickler' file, the purpose of which would be to track projects that become eligible for conversion approximately two years prior to the earliest conversion date. | The Housing Commission has focused its preservation efforts towards projects with Housing Commission assistance (loans and multifamily bonds) that are approaching conversion. Projects are continually monitored, along with prevailing economic conditions, to ensure projects are kept affordable with the most advantageous financing to ensure project success. | Goal accomplished. | Monitoring will continue. |
| c. Work with groups that monitor and respond to any notices that may be filed for at-risk projects in order to make known the probable impact of changes in project affordability controls and recommend possible mitigation; actively participate in the plan of action or similar processes to ensure that project remains in or is transferred to an organization capable of maintaining the affordability restrictions for the life of the project. | The City actively responds to notices of at-risk projects. | Ongoing. | No change |
| d. Coordinate with HUD to monitor projects with approval to convert to ensure that any required assistance (or assistance that the owner has agreed to provide) to displaced tenants, is carried out in a timely manner. | Housing Commission receives and responds to HUD notices regarding preservation opportunities of at-risk properties. | Goal accomplished. | No change. |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|--|---|--------------------|----------------|
| e. Work in partnership with groups such as the California Housing Partnership Corporation, the Legal Aid Society of San Diego and other entities interested in provided technical and legal assistance to tenant groups seeking to purchase an at-risk property. | The City actively works with groups that provide legal assistance to tenants seeking to purchase at-risk properties. | Ongoing. | No change |
| f. Monitor local investment in projects that have been acquired by nonprofit or for profit entities to ensure that properties are well-managed and well-maintained and are being operated in accordance with the City's property rehabilitation standards. | The Housing Commission monitors all projects that carry affordability restrictions, including those at-risk projects that have been acquired and preserved as affordable. | Goal accomplished. | No change. |
| Work together with owners, tenants and nonprofit organizations to assist in the nonprofit acquisition of at-risk projects to ensure long-term affordability of the development. | 805 units preserved affordable. The Housing Commission continues to work with owners, tenants, and other organizations to help keep available at-risk property affordable. | Goal accomplished. | No change. |
| Monitor and participate in federal, state or local initiatives that address the preservation problem (e.g., support state or national legislation that addresses at-risk projects, support full funding of programs that provide resources for preservation activities). | The City Planning and Housing Commission staff actively monitors all legislation that addresses preservation of affordable and at-risk units. The City reviews and analyzes proposed state and federal legislation and the positions taken by Housing California and the California League of Cities on this legislation. | Ongoing. | No change. |
| Use available financial resources to restructure federally-assisted preservation projects, where feasible, in order to preserve and/or extend affordability. | The City pursues all feasible means to extend and/or preserve affordability. | Ongoing. | No change. |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|--|---|--------------------|--|
| Pursue funding sources at the federal, state or local levels that may become available for the preservation of at-risk projects. | The City pursues all available funding sources for the preservation of at-risk projects. | Ongoing. | No change. |
| Combine local preservation efforts with the City's Neighborhood Code Compliance department by directing outreach to at-risk projects cited for code violations. | The City's Neighborhood Code Compliance department works closely with local preservation efforts. | Ongoing. | No change |
| Keep open lines of communication with Housing Commission, LISC, and/or other groups which identify and assess the interest of potential nonprofit purchasers capable of acquiring and permanently maintaining the affordability restrictions of at-risk projects offered for sale. | The City communicates regularly with potential nonprofit purchasers of at-risk projects. | Ongoing. | City continues to attempt to link with providers of technical assistance and bridge financing assistance |
| Continue to assist owners or purchasers of existing MRB projects to refund their bonds in exchange for augmented and/or extended affordability controls. | Affordability restrictions for developments receiving a Housing Commission loan are 55 years. | Goal accomplished. | No change. |
| Work with HUD to obtain Section 8 certificates or vouchers for displaced tenants of <i>non-federal</i> at-risk projects. | The City works closely with HUD on these projects, though federal funding has been greatly reduced in recent years. | Ongoing. | No change. |
| Consider inserting renewal clauses into affordable housing contracts between the Housing Commission and private developers with affordability terms of 20 years or less. | The City currently requires a 45- or 55- year affordability period for all affordable housing contracts. | Ongoing. | Since long terms are currently required for affordable housing contracts, renewal clauses are not necessary. |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|--|--|--------------------|------------|
| SRO Relocation and Displacement Ordinances - strengthen these ordinances through appropriate amendments to ensure the continued preservation and expansion of SROs as a viable housing resource. | A new SRO ordinance was effective as of 1/1/00. Program still underway. However, due to potential legal issues surrounding elements of the ordinance, a revision was undertaken. The City and the Housing Commission have begun a process to comprehensively review City policies related to the preservation of existing SRO stock and to create incentives for the construction of new housing stock to house low-income individuals. As of the time of the writing of this Housing Element, proposed revisions to the ordinance on SROs is still making its way through committees. | | No change. |
| Monitor the demolition of existing dwelling units and explore replacement provisions for the loss of affordable housing units. | The Housing Commission worked to prevent/delay the loss of SRO units due to the construction of a new Federal Court House. The Housing Commission continues to participate in a Joint Powers Authority to address replacing units lost during new school construction. Efforts continue to minimize tenant displacement due to the loss of affordable housing units. | Goal accomplished. | No change. |
| <u>Homeowner Rehabilitation:</u> The City shall continue to support and, where possible, expand a code enforcement program. | The Housing Commission provided financial and technical assistance to homeowners to rehabilitate 665 owner-occupied units. Provided technical assistance through work write-ups, cost estimates and construction monitoring to support rehabilitation of an additional 497 residential units. Financed repairs to 2822 owner-occupied units through CDBG support for non-profit entities. | Goal accomplished. | No change. |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|--|--|---------------------------|---|
| <p><u>Rental Housing Rehabilitation Program:</u> The Housing Commission shall administer a rental rehabilitation program which offers low- or no-interest loans to owners of rental property where the units are occupied by lower-income households after rehabilitation. Approximately 800 rental units will be rehabilitated over the five-year period with 80 percent being acquisition-rehabilitation and 20 percent straight rehabilitation.</p> | <p>The Housing Commission rehabilitated 2,159 renter-occupied units. Provided technical assistance (work write-ups, cost estimates and construction monitoring) and loan underwriting services to support financial assistance for the rehabilitation of a further 279 units. Provided lead-based paint reduction grants to 27 rental housing units with tenants earning below 80 percent Area Median Income and provided accessibility grants to three tenants with disabilities.</p> | <p>Goal accomplished.</p> | <p>Goal reduced to 200 units for five-year period.</p> |
| <p><u>Mobile Home Grants:</u> The Housing Commission shall administer a mobile home grant program which makes one-time-only grants up to \$3,000 available to very low-income mobile home owners for reparation purposes. Designated distressed parks can obtain up to a \$5,000 grant. Approximately 500 mobile homes will be rehabilitated through grants over the five-year period.</p> | <p>Provided financial assistance in the rehabilitation of 849 owner-occupied, very low-income units.</p> | <p>Goal accomplished.</p> | <p>Homeowner grant upped to \$3,500. Otherwise, no change.</p> |
| <p><u>Acquisition and Rehabilitation:</u> The Housing Commission shall administer a program to assist for-profit and not-for-profit developers in acquiring and rehabilitating housing units with a portion of these units to be affordable to lower-income households. Based on projected funding sources and levels, it is anticipated that approximately 860 units will be assisted.</p> | <p>The Housing Commission completed thousands of affordable units under this program during the period of the Housing Element.</p> | <p>Goal accomplished.</p> | <p>Goal lowered to 550 units to match current funding levels.</p> |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|---|--|---------------------------|---|
| <p><u>Physical Modifications for the Disabled:</u> The Veterans Administration offer assistance to disabled veterans with specific service connected disabilities to modify their homes. Based on usage of this program since 1992 and assuming a 10 percent annual increase in number of applications for assistance, it is projected that approximately 2,200 housing units occupied by disabled veterans will be made more accessible.</p> | <p>From July 1, 2003, through June 30, 2004, three veterans within the city of San Diego received monies under the SAH Grant Program to adapt their homes.</p> | | <p>The state of California’s Exterior Accessibility Grant for renters provides a two-year program to make exterior accessibility improvements to 100 rental units occupied by low-income tenants with disabilities.</p> |
| <p><u>Farmworker Housing:</u> The City of San Diego owns 36 housing units in San Pasqual Valley. Three of the 36 units are not livable and are currently vacant. These units will require major rehabilitation. One of the three is so deteriorated that it may need to be demolished. The rehabilitation (or demolition of the one unit) will be completed by the end of FY 2000.</p> | <p>Five farmworker houses were refurbished during the period of the Housing Element.</p> | <p>Goal accomplished.</p> | <p>No change.</p> |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|--|---|---|--|
| <p><u>Process 2000</u>: The City is in the process of redesigning its permit processing system to achieve several objectives: proper coordination among various city departments who have different roles in processing permits; reducing processing time and costs for applicants; and creating more predictability of outcomes for applicants.</p> | <p>Process 2000 was implemented citywide and then was replaced with the Project Tracking System, a similar program with the same goals as Process 2000. On August 4, 2003, the Development Services department began implementing new Council Policy 600-27, known as the Affordable/In-Fill Housing and Sustainable Buildings Expedite Program. Over the last year of the Housing Element, the Expedite Program was tremendously successful in both fast-tracking affordable and sustainable housing projects, and attracting a great deal of interest from the development community. The average processing time for projects within the Expedite Program has been 4.5 months, compared to the average processing time for projects in the standard process which has been ten months.</p> | <p>Goal accomplished.</p> | <p>City is focusing its efforts toward the continued improvement of its project management system. Key areas of this system include: having an assigned project manager who coordinates processing for all permits on a project; a comprehensive project tracking system; and a comprehensive geographic information system.</p> |
| <p><u>Development Permit Tracking System</u>: As a byproduct of the Process 2000 Program described in Program #1, the Development Services department shall develop and implement a development permit tracking system to monitor permit processing from initial application until permit issuance.</p> | <p>Process 2000 was implemented citywide and then was replaced with the Project Tracking System, a similar program with the same goals as Process 2000. On August 4, 2003, the Development Services department began implementing new Council Policy 600-27, known as the Affordable/In-Fill Housing and Sustainable Buildings Expedite Program.</p> | <p>Goal accomplished. The Development Services computerized PTS has been fully operational since May 2003. PTS is used to organize customer flow, display project geographic mapping information and support development review, project management, fee invoicing and payment, permitting and inspection activities.</p> | <p>Certain improvements to PTS are planned for the near future, including customer self-access via telephone and computer.</p> |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|--|--|--|--|
| <p><u>Land Development Code Changes for Housing Affordability</u>: The Planning Department and Development Services department will study the feasibility of the following changes to the Land Development Code.</p> | <p>As part of the Affordable Housing Expedite Program, the City Council adopted two separate Land Development Code changes on May 20, 2003.</p> <p>1. Code amendment to provide City Staff with the authority to expire discretionary permit applications after 90-days of inactivity.</p> <p>2. Code amendment to allow deviations from the Land Development Code Development Regulations for affordable, infill and sustainable building projects.</p> | <p>Various, see below.</p> | <p>Various, see below.</p> |
| <p>a) Modify the current threshold requirement triggering discretionary review for lot consolidation and incorporate design standards into the ministerial review process to assure quality development.</p> | <p>No progress.</p> | <p>No activity planned.</p> | <p>This has been not been included as a program in the current Housing Element.</p> |
| <p>b) Use on-street parking to count toward overall parking standards where appropriate conditions exist.</p> | <p>No progress.</p> | <p>City Council has so far rejected parking reforms.</p> | <p>Revised parking standards will be discussed as part of the updated Mobility Element of the General Plan</p> |
| <p>c) Modify setback requirements and allowable Floor Area Ratio in small lot and townhouse zones in order to facilitate the zones application.</p> | <p>The new RT zone has no side yard setbacks.</p> | <p>Ongoing.</p> | <p>No change.</p> |
| <p>d) Identify locations/zones where mixed-use development could be permitted by right, and incorporate appropriate design standards to assure quality development.</p> | <p>Mixed use zones have been adopted.</p> | <p>Ongoing.</p> | <p>No change.</p> |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|--|--|--|--|
| e) Expand the use of citywide multiple dwelling unit zones in Planned District Ordinance areas, incorporating modifications where necessary to fit unique circumstances. | Still planned, not yet implemented. | Ongoing. | This is being attempted initially in two pilot villages. As individual planned districts are updated, the citywide multiple unit zones should be incorporated into them. |
| f) Allow Planned Development Permits in all Planned District Ordinances in order to enhance flexibility with respect to regulatory requirements. | Through use of the affordable housing expedite program, Planned Development Permits are allowed in all planned districts, enabling deviations. | Ongoing. | No change. |
| g) Revise the Companion Unit regulations to reduce barriers to development of these units. | After years of preparation and review a companion unit ordinance was adopted. It allows ministerial review if a checklist of items is met. A discretionary process is available for projects that do not fully comply with the checklist. In practice, however, the ordinance's restrictions have resulted in few, if any, additional units being built. | City Council did not support the revisions to the regulations proposed by the Planning Department. | No change. |
| i) Make greater use of Master Environmental Impact Report (EIR) for major planning projects such as Redevelopment Plans and Specific Plans which will form the basis for future decision-making. | The Otay Mesa Plan update has made use of a Master EIR. | Ongoing, where applicable. | Not included in current Housing Element. |
| j) Review Process levels for types of residential projects to determine if a reduction in decision-making level is feasible. | No progress. | Not supported by City Council. | Not included in current Housing Element. |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|--|---|--|---|
| <p><u>Re-examination of Public Facility Standards:</u> The Planning Department will re-evaluate the appropriateness of public facilities standards.</p> | <p>The Strategic Framework Action Plan, using recommendations from the municipal finance advisor and the Strategic Framework Citizen Committee, included recommendations to support state/local fiscal reform, to regionalize infrastructure expenses, and to consider additional revenue sources beyond impact fees. The Action Plan also includes recommendations to develop service standards for public facilities and infrastructure in order to provide flexibility in achieving public facilities and services goals. On October 22, 2002 the City Council adopted the Strategic Framework Element, which included recommendations for public facilities and services.</p> | <p>This reevaluation is currently underway as part of the update of the General Plan</p> | <p>The Planning Department is currently updating the Public Facilities, Services and Safety Element and Recreation Element of the General Plan. Particular attention will be given to establishing realistic and flexible standards that can provide equivalent service levels within all communities of San Diego. This approach recognizes that it is frequently infeasible for existing communities to meet all the current facility standards in the same way they are met in developing communities. Joint use of school facilities and park and recreation facilities will be emphasized.</p> |
| <p><u>Impact Fee Re-Evaluation:</u> The Strategic Framework Element will also review the current impact fee system for financing public improvements.</p> | <p>Consistent with the direction provided in the Strategic Framework Action Plan, the City has hired a consultant to evaluate the impact fee program.</p> | <p>While it is unlikely that the impact fee methodology will be abolished, possible changes in the basis for setting the fees will be studied in order to reduce the cost burden on multifamily housing in particular.</p> | <p>No change.</p> |
| <p><u>Exemptions of Affordable Housing From Environmental Review:</u> The Development Services department shall implement the provisions of Section 21080.14 of the Public Resource Code which exempts affordable housing projects of 100 units or less from CEQA if certain criteria are met.</p> | <p>As a determination was made that exempting affordable projects from CEQA would be illegal, the City has created a program for expediting review of such projects.</p> | <p>Ongoing.</p> | <p>No change.</p> |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|--|--|--|---|
| <p><u>Community Planning Group Training Program:</u> The Planning Department shall incorporate in its annual training program for members of community planning groups more emphasis on the need for affordable housing, its relationship to economic growth and other planning objectives, and their roles in helping to address the City's affordable housing needs.</p> | <p>In addition to the annual training program, the Planning Department sponsored a public forum in 2004 on housing affordability and public facilities.</p> | <p>Goal accomplished.</p> | <p>No change.</p> |
| <p><u>Section 8 Rent Certificates and Vouchers:</u> The Housing Commission anticipates that the City may receive funding for approximately 100 additional Section 8 vouchers annually over the next 5 years or 500 over the Housing Element cycle.</p> | <p>The Housing Commission consistently meets its goal of leasing up at 100 percent. The agency provided affordable housing to the maximum number of Section 8 eligible households. The Housing Commission applies for all possible vouchers.</p> | <p>Support for Section 8 from the Federal Government has been declining in recent years.</p> | <p>Due to funding cuts at HUD it is anticipated that HUD will propose new program guidelines and regulatory relief. No formula has yet been established to determine the funding allocations.</p> |
| <p><u>Supportive Housing Program:</u> Annual funding levels from HUD are unpredictable, however for this Housing Element, it is assumed that funding levels will permit the provision of approximately 300-400 beds annually.</p> | <p>Provided 2623 transitional housing beds, 239 of which were for special purpose populations.</p> | <p>Goal was exceeded by more than 1,000 beds.</p> | <p>No change, assuming that funding from HUD is not reduced significantly.</p> |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|---|--|--|--|
| <p><u>Housing Opportunities for People with AIDS (HOPWA)</u>: The county anticipates that approximately 130 households will receive rental assistance during FY 99 and 135 households will receive rental assistance during subsequent years until FY 2004. The County also anticipates that approximately 325 households will be assisted through group home living during FY 99, 330 households during FY 2000, and 335 households during subsequent years until 2004. Projections also indicate that approximately 47 households will be assisted in obtaining permanent housing through the acquisition and rehabilitation of units, during FY 99, 49 households during FY 2000, and 47 during subsequent years until 2004.</p> | <p>Approved and implemented contracts for housing and services proposals submitted in response to the HOPWA NOFA throughout the term of the last Housing Element resulting in hundreds of transitional beds, residential care facility beds for the chronically ill, beds in a substance abuse recovery home, and associated supportive services serving persons with HIV/AIDS. Funded the HOPWA tenant-based rental assistance program and provided assistance to 424 families. Approved and implemented a contract for emergency housing services resulting in more than 400 participants receiving temporary shelter through hotel vouchers. Continued monitoring and updating of the HOPWA Tenant Based Rental Assistance (TBRA) waiting list. Update of the 1999 Strategic Plan in process and to be complete in 2004-2005 fiscal year.</p> | <p>Support for HOPWA from the federal government has been declining in recent years.</p> | <p>Goal reduced to 80 households per year for rental assistance and 365 households per year for group assistance. Projections also indicate that approximately 84 households per year will be assisted in obtaining permanent housing units during this Housing Element cycle. Reduction of these goals is due to anticipated funding levels from HUD.</p> |
| <p><u>Shelter Plus Care (SPC)</u>: Based on current and anticipated funding levels, this program will provide approximately 100 - 120 households with rental assistance annually.</p> | <p>With funding provided by HUD through Shelter Plus Care homeless grants, during the term of the Housing Element, the Housing Commission contracted with six non-profit service providers to provide 735 units of affordable housing for formerly homeless, disabled individuals and families. A total of 978 adults and children were housed in these units with services providers matching the housing dollars with in-kind services for clients.</p> | <p>Goal was met and exceeded.</p> | <p>Goal upped to 150 households per annum.</p> |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|---|--|--|---|
| <u>Existing Public Housing</u> : The Housing Commission will maintain occupancy of the approximately 2,000 public housing and other units which the Housing Commission owns and manages. | The Housing Commission maintained an occupancy rate in the high 90 th percentile in its public housing and other units for the period of the Housing Element. | Goal accomplished. | No change. |
| <u>First-Time Home Buyers Counseling, Training, and Seminars</u> : A ten percent annual growth rate equates to approximately 12,100 households projected to be served over the five-year Housing Element cycle or an average of 2,400 annually. | San Diego Home Loan Counseling and Education Center, the Housing Commission, Consumer Credit Counselors and Neighborhood House Association provided assistance through seminars and individual counseling to thousands of first-time homebuyers. | Ongoing | Focus for this program has shifted to the existing tenants of apartments that will be converted into condominiums. The program will be offered to all such tenants, but it is estimated that only 1,500 or so families will take advantage of it. |
| <u>Financial Assistance to First-Time Home Buyers</u> : Will assist at least 1,000 low-income and 800 moderate income first-time home buyers in purchasing homes. | The Housing Commission provided financial assistance to hundreds of first-time home-buying families. | Ongoing | A variety of local, state and federal resources will be used to assist some 400 low-income and 250 moderate-income first-time home buyers. |
| <u>Relocation/Eviction Assistance</u> : It is anticipated that approximately 125 households will be assisted through this program over the five-year period. | 339 households were assisted through this program before the funding was discontinued in FY 2002-2003. | Goal was exceeded by 214 households before funding was pulled. | No change. Assistance to at least 125 households. |
| <u>Cohousing</u> : Cohousing is an alternative form of housing which combines individual housing units with facilities for shared meals, child care, and other support services. | No progress. | This is a housing arrangement that has not yet caught on in San Diego. | Not included as a goal. |
| <u>Shared Housing for the Elderly</u> : Shared housing matches for the elderly and persons with disabilities are anticipated to continue at the rate of approximately 125 annually. | ElderHelp provided an average of just under 100 matches per year. | Demand for the program remained high, but at existing funding levels, ElderHelp was not able to meet the needs of the participants in the most efficient manner. | Goal reduced to 70 matches per year. |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|--|--|--|--|
| <u>Limited Equity Housing Cooperative:</u> HOPE CDC anticipates another limited equity coop during the five-year Housing Element cycle. | None. | This model has proven to be infeasible during this period of rapidly escalating housing and land prices. | Not included as a goal. |
| <u>Housing Affordability Impact Statements:</u> The Planning Department and Housing Commission will continue to provide this Statement in planning reports as a means of promoting awareness of impacts of public actions on affordable housing objectives. | A department policy was established by the Planning and Development Services departments to require Housing Impact statements as appropriate in planning reports. | | No change. |
| <u>Mobile Home Relocation Policy:</u> This policy will continue to guide relocation assistance provided to displaced mobile home tenants as a result of discontinuance of a mobile home park or park spaces. | No action taken. | | Will continue as needed. |
| <u>Mobile Home Mediation/Communication Program:</u> The Housing Commission has created a program to establish a mediation process to resolve disputes between mobile home owners and mobile home park owners. | The Housing Commission contracted with the San Diego Mediation Center to provide mediation sessions, mitigations, arbitrations, information and referrals services, as well as committee meetings between mobile home and park owners to help preserve affordability for lower-income mobile home owners. | Ongoing | No change. |
| <u>Assistance to Not-For-Profit Development Corporations:</u> Based on past performance, a reasonable goal for the not-for-profit sector would be to complete at least 1,000 new or rehabilitated affordable units for lower-income occupancy during the period FY 1999 - FY 2004. | The Local Initiative Support Corp. approved loans to non-profit developers that helped build hundreds of affordable units over the period of the Housing Element. The Housing Commission assisted developers in building more than 2000 affordable units. California Housing Partnership Corp. provided financial consultation to San Diego non-profit development corporations. | Goal was exceeded by more than 1,000 units. | The Housing Commission will continue to provide technical and financial assistance to enable Not-For-Profit corporations to develop housing although it is |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|---|--|---|--|
| <p><u>Community Reinvestment Act:</u> The Housing Commission shall work in concert with the County of San Diego to continue to fund the City-County Reinvestment Task Force. Based on the credit assessment, the Task Force has established as a goal the creation of more than \$100 million in new funds, primarily for new community reinvestment efforts.</p> | <p>The City-County Reinvestment Task Force entered into multiple agreements with lenders which generated billions of dollars of capital.</p> | <p>Ongoing</p> | <p>No change.</p> |
| <p><u>Housing Trust Fund:</u> The Housing Commission shall maximize leverage of public dollars to maximize the generation of private dollars.</p> | <p>No progress yet but effort to increase fee is currently ongoing</p> | <p>Effort to bring fee up to original level is currently underway</p> | <p>The Housing Commission will pursue funding for expansion of the Housing Trust Fund. The current level represents a 50 percent reduction, from the original level in 1991. Pursuant to direction from the City Council, the Housing Commission shall ask the Council to restore the original level of this fee or identify alternative sources of revenue to compensate for the reduction.</p> |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|---|---|---|---|
| <p><u>Shared Risk Loan Pool:</u> The City-County Reinvestment Task Force shall encourage banks and Savings and Loan institutions to utilize existing loan pools operated through the California Community Reinvestment Corporation (CCRC) and the Savings Association Mortgage Company (SAMCO) to provide loans for affordable housing and nontraditional development projects.</p> | <p>During the first two years of the Housing Element period, as a member of the Board of Directors of the California Community Reinvestment Committee, the RTF helped oversee the provision of loans to non-profit organizations throughout the state and in SD where they made 11 loans for nearly five million dollars for the development of affordable housing by local non-profit organizations. Later, as CCRC and SAMCO cut back their lending due to the participating banks having developed their own products and are no longer in need of the security of lending through a pool that reduces their risk. As a result, the RTF has moved its focus to the pooling of equity capital and has created SD Capital Collective towards that end.</p> | <p>Goal accomplished.</p> | <p>No change</p> |
| <p><u>Single-Family Housing Construction:</u> Incentives and specialized financing incentives should be developed and made available to not-for-profit housing development organizations for the purpose of constructing new single-family homes on individual lots scattered throughout the lower-income communities of San Diego.</p> | <p>No activity.</p> | <p>High and escalating land and construction costs in San Diego now preclude new traditional single-family housing as a viable option for housing low-income populations within the City, even with financing incentives.</p> | <p>This goal has been dropped as emphasis has shifted to promoting higher-density housing for lower-income residents.</p> |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|--|--|--|---|
| <p><u>Inclusionary Housing Program:</u> The Housing Commission and Planning Department will work in conjunction with major stakeholders to design an inclusionary housing program for City Council consideration.</p> | <p>On May 20, 2003 the City Council adopted a citywide inclusionary housing ordinance that requires ten percent of all new residential developments of two or more units to be affordable housing units. Developers will have the option of building the affordable units on the original development site or an alternative site subject to certain conditions or may pay an in lieu fee to the City. To date, the City has collected more than \$1 million in in-lieu fees, with approximately \$3.5 million anticipated in the coming year. Approximately 1000 new affordable units have been completed or are under construction in the former Future Urbanizing Area (FUA) as a result of the City's inclusionary housing policy.</p> | <p>Goal accomplished.</p> | <p>As per the adopted ordinance, require that ten or 20 percent of units be affordable to lower-and/or moderate-income residents or payment of an in lieu fee.</p> <p>The five-year goal is that ten percent of housing stock built between 2005-2010 should be affordable to low- and/ or moderate-income residents.</p> |
| <p><u>Implementation of Community Plan Density Ranges:</u> The Planning Department and Development Services department will utilize the discretionary review process to ensure that the density of proposed housing corresponds with the density ranges in adopted community plans to produce expected housing yields.</p> | <p>The Planning Department developed a policy to require that new discretionary residential developments comply with the minimum as well as maximum densities designated in community plans unless the proposed projects meet specified exemption criteria. Selected pilot village locations along transit corridors. Relatively dense projects, including redevelopment projects, approved and encouraged.</p> | <p>The Planning Department is now recommending that all discretionary projects be built within community plan density ranges</p> | <p>Require that all discretionary projects meet density range requirements.</p> |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|--|--|--|--|
| <u>Target Housing Commission Resources to Planned Urbanizing Communities:</u> The Housing Commission and Planning Department will work jointly to determine the extent to which a portion of First-Time Homebuyers Assistance, Housing Rehabilitation and Rental Subsidies can feasibly be targeted to the Planned Urbanizing Communities. | In FY 1999-2000, the Planning Department worked with the Housing Commission to encourage and facilitate use of density bonus and other incentives to encourage affordable housing developments in planning urbanizing communities. This continued in the next two years. Following this, an inclusionary housing ordinance was adopted. | As the City has matured, the formerly planned urbanizing areas have largely become urbanized and the former distinctions between urbanized and planned urbanizing have become less significant | The revised General Plan will modify the former designations of planning areas as urbanized and planned urbanizing. Therefore, the former guidelines for targeting funds to planned urbanizing areas are no longer relevant. |
| <u>Balanced Communities Policy:</u> The Strategic Framework will help to lay the foundation for an updated Balanced Communities Policy. | Planning Department continued to implement the inclusionary housing ordinance in the City's North City FUA. This requires 20 percent of units to be set aside for low-income residents in rental projects or for low moderate-income residents in for sale projects. Balanced Communities Task Force was formed to discuss development of an inclusionary housing program. On May 20, 2003 the City Council adopted a citywide inclusionary housing ordinance. | The citywide inclusionary policies now in effect are intended to provide affordable housing throughout the city, particularly in areas experiencing market rate housing development. | Update and strengthen Balanced Communities Policy to incorporate other community balance policies and programs in Housing Element in order to move closer toward economically and racially balanced communities throughout the City. |
| <u>Community Opportunities Program:</u> The Fair Housing Council will provide housing counseling and referral services to 500 eligible families over five years and coordinate ongoing support services to 350 families after moving. | June 30, 2002 marked the end of this pilot program. The Housing Commission exceeded the original program goal by counseling 611 families. 374 families moved to low-poverty neighborhoods. In addition, the Housing Commission provided the families who moved with resources prior to and after their move to ensure their success in their new neighborhood. | Goal exceeded by 111 families. | Discontinued. |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|---|--|---|--|
| <u>Housing Relocation Fund</u> : As part of the Community Opportunities Program, the Fair Housing Council will administer a relocation fund to assist 50 lower-income households per year in moving to areas of “low poverty concentration.” | The Housing Commission has set aside funds to help families with security deposits. The Fair Housing Council was given a grant to use specifically for families that needed additional funds to move to mixed communities or low poverty areas. The Fair Housing Council also provides supportive services to these targeted families. The number of families assisted each year varied depending on need; the average was 38 families per year. | Averaged 12 families per year less than the goal of 50. | Discontinued. |
| <u>Transit Oriented Development (TOD) Program</u> : Devise policies and proposals to achieve an urban form which reduces dependence on the automobile and promotes a more transit and pedestrian oriented environment. | Staff initially worked on the Strategic Framework Element, per Council direction. The vision and values developed during this phase shared common goals with the TOD Guidelines. The goals of the Strategic Framework Element, which was adopted in October 2003, have been incorporated into the update of the General Plan, slated to be approved by the City Council in late 2005. | TOD Guidelines were adopted and are now being used. | Unchanged, except issue will now be addressed in General Plan Land Use Element, Mobility Element and in Community plans updated from 2005-2010. |
| <u>Rental Rehabilitation</u> : Redevelopment Set-Aside funds will be utilized to assist in the rehabilitation of multifamily rental housing. Based on projected set-aside funds, projects already in the pipeline and trends, approximately 310 rental units will be rehabilitated. Of these, approximately 260 units will be affordable to very low-income households and 50 will be affordable to moderate-income households. | No progress. | It has become more difficult to find rental projects that can be rehabilitated for rent at affordable levels because of competition from market rate rehabilitation either for condominium conversions or upgraded rentals to higher income people. | Goal lowered to 175 units rehabilitated - approximately 70 units will be affordable to very low-income households, 55 will be affordable to low-income households and 50 will be affordable to moderate-income households. |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|---|--|--|--|
| <p><u>Rental New Construction:</u> Redevelopment set-aside funds will be utilized to subsidize the construction of rental units for low- and very low-income households. Approximately 700 new rental units are projected, of which approximately 475 units would be for very low-income renters and 230 units would be for moderate-income renters.</p> | <p>In FY 2001-2002, 124 rental new construction units were completed. These units are affordable to moderate income households. The next year in the Centre City and Horton Plaza Project Areas, 614 units were completed (418 very low-income, 196 low-income) and 408 units were approved and are under construction or are pending construction (129 very low-income, 261 low-income, 18 moderate-income). The Redevelopment Agency has 250 very low-income and 16 moderate-income units approved and under construction or pending construction for a total of 266 units. The Southeast Development Corporation has completed 50 very low-income senior units outside the Central imperial Project Area.</p> | <p>Goal was exceeded.</p> | <p>Approximately 1950 new rental units are projected, of which approximately 800 units will be for very low-income renters, 600 units will be for low-income renters and 550 units will be for moderate-income renters.</p> |
| <p><u>Owner-Occupied Housing Rehabilitation:</u> Redevelopment set-aside funds will be utilized to subsidize the rehabilitation of housing owned and occupied by very low-, low- or moderate-income households. Approximately 100 owner-occupied units will be rehabilitated. Of these, it is projected that approximately 20 units will be owned by very low-income owners, and 80 will be owned by low-income owners.</p> | <p>The Redevelopment Agency provided financing for 34 low- or very low-income units and 11 moderate-income units during the period of the Housing Element.</p> | <p>The total rehabilitated units fell short of the original goal by more than 50 units. However, City believes that increased redevelopment money will be available in the next few years available to rehabilitate units.</p> | <p>Approximately 250 owner occupied units will be rehabilitated. Of these, it is projected that approximately 50 units will be owned by very low-income owners, 150 will be owned by low-income owners and 50 will be owned by moderate-income owners.</p> |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|--|---|--|--|
| <p>For-Sale Units: Redevelopment set-aside funds will be utilized to subsidize the construction of new for-sale units for moderate income households and first-time homebuyers. Approximately 45 units may be assisted through this program. Of these, approximately five units would be for very low-income households, 30 units would be for low-income households, and ten units would be for moderate-income households.</p> | <p>The Redevelopment Agency provided financing for 24 for-sale units to serve moderate-income households. The Southeastern Development Corporation funded 14 moderate-income for-sale units.</p> | <p>While the goal for the moderate-income category was exceeded by nearly four times the units originally projected, no lower-income categories were served.</p> | <p>Approximately 250 moderate-income units may be assisted through this program.</p> |
| <p>Transitional Housing: Redevelopment set-aside funds may also be utilized to subsidize the purchase and rehabilitation of transitional housing for lower-income persons who need a stable environment because of former substance abuse and/or mental illness. Approximately 150 transitional spaces may be added through this funding source. These spaces would be part of the 1,250 additional transitional housing spaces proposed under the New Construction Quantified Objective.</p> | <p>The Redevelopment Agency provided financing for the purchase of the Days Inn on Cortez Hill, to provide transitional housing for homeless families. The facility has 150 beds. The Redevelopment Agency approved the transfer of funds from the Horton Plaza Redevelopment Project Low/Moderate-Income Housing Set-Aside Funds to the Housing Commission to provide for leasing costs for transitional housing for displaced seniors. The Centre City Development Corporation (CCDC) provided 150 beds of transitional housing for homeless families with children. Both CCDC and the North Bay Project Area assisted in financing 112 beds of transitional housing homeless veterans.</p> | <p>Goal more than exceeded nearly three times over.</p> | <p>Focus shifted to include both special purpose housing and transitional housing. Approximately 375 transitional units may be added through this funding source. Of these 280 units will be for very low-income households and 95 units will be for low-income households. These units would be part of the additional transitional housing units proposed under the New Construction Quantified Objective.</p> |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|---|---|--|---|
| <p><u>Very Low-Income Housing for Families:</u> Where a benefit to a redevelopment project area can be demonstrated, Redevelopment Set-aside funds will be utilized to assist in the construction of new housing for families outside the boundaries of formally defined project area boundaries.</p> | <p>Following direction taken on November 29, 2001, by the Land Use and Housing Committee of the City Council, the Redevelopment Agency, the Centre City Development Corporation, the Southeastern Economic Development Corporation, and the San Diego Housing Commission collaborated to develop a five-year affordable housing strategy for redevelopment areas. The collaborative finalized priorities to develop housing for moderate, low-and very-low-income San Diego residents, established a joint funding process for affordable housing projects, leveraged the Agency's 20 percent Housing Set-Aside Fund to expand the supply of affordable housing, and set a five-year goal of 2,185 new affordable units. The Redevelopment Agency created a pool of \$55 million to assist in financing the construction of affordable housing units citywide. A Notice of Funding Availability (NOFA) was issued to invite developers to submit proposals.</p> | <p>Goal accomplished and being implemented on ongoing basis.</p> | <p>No change.</p> |
| <p><u>Fair Housing Analysis of Impediments:</u> The Housing Commission shall contract for and supervise the preparation of a fair housing Analysis of Impediments to be conducted by August 2000.</p> | <p>In October 2000, the Fair Housing Council of San Diego, as a contractor to the Housing Commission, completed a Regional Analysis of Impediments to Fair Housing Choice.</p> | <p>Goal accomplished.</p> | <p>Not included in current Housing Element.</p> |
| <p><u>Support of Fair Housing Organizations:</u> The City shall continue to support the Fair Housing Council and the Community Housing Resource Board which disseminate information about fair housing rights and responsibilities or offer related services.</p> | <p>The San Diego Housing Commission continues to contract with and support fair housing organizations, such as the Fair Housing Council.</p> | <p>Ongoing.</p> | <p>No change.</p> |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|--|--|--|--|
| <u>Implementation of Council Policy 600-20:</u> Submission of an affirmative action marketing program, as required by Council Policy 600-20, is a condition of approval attached to all tentative maps for proposed residential development. The City Manager shall review affirmative marketing programs for adequacy prior to recordation of the final maps. | Council Policy 600-20 continues to be implemented by the City. | Ongoing. | No change. |
| <u>Residential Interior/Exterior Water Survey Program:</u> The Water Utilities Department shall provide residential customers an interior and exterior water use survey of their home. | As a result of the Residential Water Survey Program, a cumulative total of well over one million gallons per day was saved. | Goal accomplished. | No change |
| <u>Ultra-Low Flush Toilet Rebate Program:</u> The Water Utilities Department shall provide cash rebates of \$75 per installed toilet to City residents who install ultra-low flush toilets. The program shall provide 30,000 rebates per year through 2004. | More than 50,000 Ultra-Low flush toilets were installed under the program. Interest continues to be strong. | Goal was not met. For most years of the term of the previous Housing Element, only one-third to one-half of the goal amount was installed. | No change. |
| <u>Single and Multifamily Audits:</u> The Water Utilities Department will conduct audits on a voluntary basis with single and multifamily households to assist them in reducing water consumption. Approximately 2,500 City residences shall be audited annually, reaching a total of 12,500 by the year 2004. | This program has now been incorporated into the Residential Water Survey Program. More than 30,000 residences audited by the end of FY 2002. | Goal more than accomplished. | Goal deleted because it has been incorporated into an ongoing program. |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|---|---|---|--------------------------------|
| <p><u>San Diego Municipal Code Section 93.0208</u>: This code requires that all toilets over 3.5 gallons per flush be replaced with ultra low flush toilets. It also requires that faucets, showerheads, urinals, and reverse osmosis systems also be low use compliant. This program will shift from an enforcement focus to a marketing campaign to highlight benefits of saving water and money.</p> | <p>The City continues to implement this program.</p> | <p>Ongoing.</p> | <p>No change.</p> |
| <p><u>Enhanced Public Education Program</u>: The components of this public education program include the development of a speaker’s bureau, developing and maintaining a department and Water Conservation web-site, distribution of higher quality brochures and fact sheets, a media campaign that includes local news stations and radio stations, and better coordination with the County Water Authority and the Metropolitan Water District of Southern California.</p> | <p>Among other efforts, in October 1999, the Water Resources Management Program unveiled its interactive educational display at the Reuben H. Fleet Science Center in Balboa Park. Entitled “San Diego’s Water—From Source to Tap,” the exhibit was planned for display for three years and was expected to reach an estimated audience of 2.1 million people. Additionally, during FY 2002, the City participated in the regional Cuyamaca College Water Conservation Garden as part of a countywide effort to promote water conservation.</p> | <p>Goal accomplished.</p> | <p>No change.</p> |
| <p><u>Residential H-axis Washing Machine Rebate Program</u>: The City of San Diego will issue 750 rebates per year for H-axis washing machines. Residential H-axis washers will save approximately 5,100 gallons per year for 16 years.</p> | <p>The City of San Diego implemented a High Efficiency Clothes Washer (HEW) machine rebate program, issuing rebates of \$100.00 for each residential HEW machine purchased. To date, the City has issued thousands of rebates.</p> | <p>Goal exceeded for each of the years of the previous Housing Element.</p> | <p>Rebate reduced to \$75.</p> |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|---|--|-----------------|----------------|
| <p><u>Citywide Landscape Design Ordinance:</u> The Planning Department will continue to implement the citywide landscape design ordinance which encourages the use of plant materials to reduce heat island effects and requires drought tolerant plants and low flow irrigation systems.</p> | <p>Staff worked to require a number of land development projects in the North City FUA to use reclaimed water for irrigation systems. The expedite program includes expediting sustainable buildings. On May 20, 2003, the City Council adopted an amendment to Council Policy 900-14 - the Sustainable Buildings Expedite Program.</p> | Ongoing. | No change. |
| <p><u>SDG&E Conservation Programs:</u> The City shall continue to cooperate with the San Diego Gas and Electric Company in the provision of information about their energy conservation programs.</p> | <p>The City’s Environmental Services Department, in conjunction with SDG&E has executed a number of programs to improve energy conservation and public awareness of conservation. These include: installing 180 energy reducing devices on existing soda machines; converting traffic signal intersections to LED lamps; numerous mass mailings of information materials; and the administration of the Whole House Energy Retrofit Program.</p> | Ongoing. | No change. |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|---|--|-----------------|-------------------|
| <p><u>Community Energy Partnership Program</u> - The San Diego Regional Energy Office (SDREO) will partner with San Diego Gas and Electric to provide assistance to the City of San Diego to develop energy efficiency policies to encourage energy conservation through high performance standards in residential construction. SDREO will support the City following policy adoption to maintain program participation and success.</p> | <p>On October 30, 2000, the City of San Diego adopted a voluntary energy efficiency policy. This policy was updated on June 19, 2001 and was passed by the City Council. A CEPP Land Use Planning Elements report was prepared and presented to the City to introduce non-building energy measures to consider during commercial and residential development. During F003, the City formed a partnership with SDG&E, the County of San Diego and the San Diego Regional Energy Office under the name of the Rebuild a Greener San Diego Program. The purpose of this program is to offer rebate incentives to install energy efficiency measures that are 20 percent more energy efficient than Title 24 building requirements to homeowners who lost their houses in the October 2003 fires. During FY004, \$31,000 was spent by City staff in labor for the development of the program, but no money was yet issued out as program incentives. A second partnership, the San Diego Regional Energy Partnership, was formed between the City of San Diego, the County of San Diego, the City of Carlsbad, the City of Chula Vista, the City of Oceanside, the City of Escondido, and the San Diego Regional Energy Office to run energy efficiency programs for small businesses, local governments, and local residents.</p> | <p>Ongoing.</p> | <p>No change.</p> |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|---|---|---------------------------|---|
| <p><u>Home Energy Partnership Program</u>: San Diego Gas and Electric will provide cash incentives to builders and energy support teams for exceeding Title 24 or meeting Energy Star building standards, offer design assistance and provide free training courses to enhance energy savings in homes.</p> | <p>By October 2001, program funding was exhausted, when commitments were obtained for: 1,258 single-family homes; 2,578 multifamily units; and over 3,400 efficient appliances. This program ended March 2002, when the California Public Utility Commission directed that a new, statewide, energy efficiency program be developed in 2002 for the residential new construction market; The California Energy Star New Homes Programs (CESNHP) are designed to encourage single-family and multifamily (including rental apartments, condominiums, townhomes; as well as high-rise buildings on a pilot basis) builders to construct homes that exceed Title 24 through a combination of financial incentives, design assistance, and education. These performance-based programs are designed to encourage homebuilders to construct single-family and multifamily dwellings that are 15 percent and 20 percent more efficient than required by the 2001 Residential Energy Efficiency Standards - initiated in State Assembly Bill (AB) 970. The 15 percent level has been designated by the EPA as the new Energy Star homes baseline for California, subsequent to the Title 24 revisions (2001 Standards) brought about in AB 970. As a result, buyers of single-family homes, and renters of multifamily have energy-efficient, money-saving, comfort and quality alternatives compared to standard new housing.</p> | <p>Goal accomplished.</p> | <p>The City shall support the installation of photovoltaic/solar electric and solar water heating systems on new construction to promote and increase the use of renewable resources.</p> |

TABLE 22

GOALS AND OBJECTIVES OF THE 1999 HOUSING ELEMENT (continued)

| Quantified Objective | Progress July 1999—July 2004 | Analysis | Changes |
|--|--|----------|--|
| <u>Renewable Buy Down Program</u> : The California Energy Commission will provide cash rebates on eligible renewable energy electric generating systems of up to \$4,500 per kilowatt or 50 percent of the eligible purchase price, whichever is less. | Rebate was reduced to \$3500 | Ongoing | The California Energy Commission will provide cash rebates on eligible renewable energy electric generating systems of up to \$3,500 per kilowatt or 50 percent of the eligible purchase price, whichever is less. |
| <u>California Tax Credit</u> : Solar systems certified by the California Energy Commission and installed with a five-year warranty are eligible to receive a tax credit for tax years 2001-2003 equal to the lesser of 15 percent of the purchase cost of a photovoltaic or wind driven system with a generating capacity of not more than 200 kilowatts. The credit will be reduced to half that amount for tax years 2004 and 2005 and would be sunset on January 1, 2006. | Goal achieved. | Ongoing. | Solar systems certified by the California Energy Commission and installed with a five-year warranty are eligible to receive a tax credit equal to the lesser of 15 percent of the purchase cost of a photovoltaic or wind driven system with a generating capacity of not more than 200 kilowatts. This credit will sunset on January 1, 2011. |
| <u>Strategic Framework</u> : As part of its General Plan update, the Planning and Development Review Department shall emphasize efficient land use and development patterns which conserve such resources as fuel, water, and land. | Implemented in Strategic Framework and in Land Use and other elements of the General Plan (currently being updated). | Ongoing. | As part of its General Plan update, the Planning and Development Review Department shall emphasize efficient land use and development patterns which conserve such resources as fuel, water, and land. |

TABLE 23

ADEQUATE HOUSING SITES INVENTORY SUMMARY TABLE BY COMMUNITY PLAN AREA

| See Notes: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | See Notes: |
|-----------------------|-----------------|--------------------------|-----------------|-------------------|---------------------------------------|--------------------|-------------------------|--|--------------------------|----------------------------|-------------------------------------|--------------------------|--|
| Community Plan Areas | Units Completed | Units under Construction | Units Permitted | Review in Process | Review in Process with Plan Amendment | Preliminary Review | Vacant Zone Residential | Vacant Zone Residential with a Unit Allocation | Infill Zoned Residential | Military Housing Completed | Military Housing under Construction | Military Housing Planned | Total Adequate Housing Sites Inventory |
| | 0 | 42 | 0 | 137 | 0 | 307 | 0 | 0 | 728 | 0 | 0 | 0 | 1,214 Net Units |
| Barrio Logan | 0 | 42 | 0 | 42 | 0 | 331 | 0 | 0 | 0 | 0 | 0 | 0 | 415 Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 726 | 0 | 0 | 0 | 726 Infill/Vacant ≥ 30 DU/AC |
| | 1,093 | 350 | 0 | 3,686 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,129 Net Units |
| Black Mountain Ranch | 257 | 0 | 0 | 469 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 726 Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 Infill/Vacant ≥ 30 DU/AC |
| | 0 | 0 | 0 | 75 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 75 Net Units |
| Carmel Mountain Ranch | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 Infill/Vacant ≥ 30 DU/AC |
| | 110 | 717 | 165 | 0 | 194 | 0 | 354 | 0 | 0 | 0 | 0 | 0 | 1,540 Net Units |
| Carmel Valley | 0 | 60 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 60 Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 354 | 0 | 0 | 0 | 0 | 0 | 354 Infill/Vacant ≥ 30 DU/AC |
| | 4,847 | 4,804 | 3,591 | 2,509 | 0 | 0 | 0 | 0 | 25,443 | 0 | 0 | 0 | 41,194 Net Units |
| Centre City | 659 | 74 | 350 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,083 Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 25,443 | 0 | 0 | 0 | 25,443 Infill/Vacant ≥ 30 DU/AC |
| | 51 | 36 | 0 | 33 | 76 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 196 Net Units |
| Clairemont Mesa | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 Infill/Vacant ≥ 30 DU/AC |
| | 97 | 14 | 70 | 78 | 0 | 700 | 0 | 0 | 1,890 | 0 | 0 | 0 | 2,849 Net Units |
| College Area | 91 | 0 | 0 | 0 | 0 | 189 | 0 | 0 | 0 | 0 | 0 | 0 | 280 Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,887 | 0 | 0 | 0 | 1,887 Infill/Vacant ≥ 30 DU/AC |

TABLE 23

ADEQUATE HOUSING SITES INVENTORY SUMMARY TABLE BY COMMUNITY PLAN AREA (continued)

| See Notes: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | See Notes: |
|-----------------------------------|-----------------|--------------------------|-----------------|-------------------|---------------------------------------|--------------------|-------------------------|--|--------------------------|----------------------------|-------------------------------------|--------------------------|--------------------------------|
| Community Plan Areas | Units Completed | Units under Construction | Units Permitted | Review in Process | Review in Process with Plan Amendment | Preliminary Review | Vacant Zone Residential | Vacant Zone Residential with a Unit Allocation | Infill Zoned Residential | Military Housing Completed | Military Housing under Construction | Military Housing Planned | Total Inventory |
| | 58 | 98 | 139 | 21 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 316 Net Units |
| Del Mar Mesa | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 Infill/Vacant ≥ 30 DU/AC |
| | 0 | 0 | 0 | 0 | 498 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 498 Net Units |
| East Elliott | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 Infill/Vacant ≥ 30 DU/AC |
| | 334 | 104 | 0 | 21 | 1,191 | 14 | 49 | 0 | 0 | 0 | 0 | 0 | 1,713 Net Units |
| Encanto Neighborhood Southeastern | 198 | 5 | 0 | 3 | 149 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 355 Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 Infill/Vacant ≥ 30 DU/AC |
| | 21 | 31 | 0 | 12 | 0 | 0 | 152 | 0 | 358 | 0 | 0 | 0 | 574 Net Units |
| Greater Golden Hill | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 36 | 0 | 305 | 0 | 0 | 0 | 341 Infill/Vacant ≥ 30 DU/AC |
| | 97 | 425 | 174 | 160 | 0 | 170 | 0 | 0 | 7,601 | 0 | 0 | 0 | 8,627 Net Units |
| Greater North Park | 0 | 155 | 27 | 78 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 260 Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,534 | 0 | 0 | 0 | 7,534 Infill/Vacant ≥ 30 DU/AC |
| | 232 | 258 | 596 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,086 Net Units |
| Kearny Mesa | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 Infill/Vacant ≥ 30 DU/AC |
| | 313 | 180 | 0 | 30 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 523 Net Units |
| La Jolla | 0 | 82 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 82 Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 Infill/Vacant ≥ 30 DU/AC |

TABLE 23

ADEQUATE HOUSING SITES INVENTORY SUMMARY TABLE BY COMMUNITY PLAN AREA (continued)

| See Notes: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | See Notes: | |
|-------------------------------|-----------------|--------------------------|-----------------|-------------------|---------------------------------------|--------------------|-------------------------|--|--------------------------|----------------------------|-------------------------------------|--------------------------|------------|----------------------------------|
| Community Plan Areas | Units Completed | Units under Construction | Units Permitted | Review in Process | Review in Process with Plan Amendment | Preliminary Review | Vacant Zone Residential | Vacant Zone Residential with a Unit Allocation | Infill Zoned Residential | Military Housing Completed | Military Housing under Construction | Military Housing Planned | Total | Adequate Housing Sites Inventory |
| Linda Vista | 62 | 177 | 167 | 16 | 0 | 0 | 0 | 0 | 971 | 0 | 0 | 0 | 1,393 | Net Units |
| | 0 | 18 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 21 | Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 969 | 0 | 0 | 0 | 969 | Infill/Vacant \geq 30 DU/AC |
| MCAS Miramar | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,600 | 1,600 | Net Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Infill/Vacant \geq 30 DU/AC |
| Mid-City: City Heights | 246 | 73 | 0 | 182 | 455 | 0 | 0 | 0 | 2,874 | 0 | 0 | 0 | 3,830 | Net Units |
| | 152 | 0 | 0 | 238 | 360 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 750 | Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,862 | 0 | 0 | 0 | 2,862 | Infill/Vacant \geq 30 DU/AC |
| Mid-City: Eastern Area | 8 | 9 | 0 | 47 | 90 | 0 | 40 | 0 | 1,502 | 0 | 0 | 0 | 1,696 | Net Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,502 | 0 | 0 | 0 | 1,502 | Infill/Vacant \geq 30 DU/AC |
| Mid-City: Kensington-Talmadge | 15 | 93 | 0 | 0 | 0 | 0 | 0 | 0 | 1,204 | 0 | 0 | 0 | 1,312 | Net Units |
| | 0 | 90 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 90 | Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,201 | 0 | 0 | 0 | 1,201 | Infill/Vacant \geq 30 DU/AC |
| Mid-City: Normal Heights | 10 | 8 | 3 | 190 | 0 | 0 | 0 | 0 | 989 | 0 | 0 | 0 | 1,200 | Net Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 987 | 0 | 0 | 0 | 987 | Infill/Vacant \geq 30 DU/AC |
| Midway-Pacific Highway | 0 | 3 | 169 | 0 | 243 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 415 | Net Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Infill/Vacant \geq 30 DU/AC |

TABLE 23

ADEQUATE HOUSING SITES INVENTORY SUMMARY TABLE BY COMMUNITY PLAN AREA (continued)

| See Notes: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | See Notes: | |
|----------------------|-----------------|--------------------------|-----------------|-------------------|---------------------------------------|--------------------|-------------------------|--|--------------------------|----------------------------|-------------------------------------|--------------------------|-------------------|----------------------------------|
| Community Plan Areas | Units Completed | Units under Construction | Units Permitted | Review in Process | Review in Process with Plan Amendment | Preliminary Review | Vacant Zone Residential | Vacant Zone Residential with a Unit Allocation | Infill Zoned Residential | Military Housing Completed | Military Housing under Construction | Military Housing Planned | Total | Adequate Housing Sites Inventory |
| | 0 | 27 | 35 | 2,066 | 1,726 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,854 | Net Units |
| Mira Mesa | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Infill/Vacant ≥ 30 DU/AC |
| | 32 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 32 | Net Units |
| Miramar Ranch North | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Infill/Vacant ≥ 30 DU/AC |
| | 43 | 55 | 0 | 0 | 0 | 0 | 0 | 0 | 318 | 0 | 0 | 0 | 416 | Net Units |
| Mission Beach | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 270 | 0 | 0 | 0 | 270 | Infill/Vacant ≥ 30 DU/AC |
| | 2,263 | 392 | 0 | 268 | 0 | 998 | 429 | 0 | 0 | 0 | 0 | 0 | 4,350 | Net Units |
| Mission Valley | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Infill/Vacant ≥ 30 DU/AC |
| | 37 | 2 | 0 | 0 | 105 | 999 | 0 | 0 | 0 | 0 | 0 | 0 | 1,143 | Net Units |
| Navajo | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Infill/Vacant ≥ 30 DU/AC |
| | 23 | 0 | 0 | 25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 48 | Net Units |
| NCFUA Subarea II | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Infill/Vacant ≥ 30 DU/AC |
| | 27 | 8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 35 | Net Units |
| Ocean Beach | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Infill/Vacant ≥ 30 DU/AC |

TABLE 23

ADEQUATE HOUSING SITES INVENTORY SUMMARY TABLE BY COMMUNITY PLAN AREA (continued)

| See Notes: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | See Notes: |
|-------------------------|-----------------|--------------------------|-----------------|-------------------|---------------------------------------|--------------------|-------------------------|--|--------------------------|----------------------------|-------------------------------------|--------------------------|--|
| Community Plan Areas | Units Completed | Units under Construction | Units Permitted | Review in Process | Review in Process with Plan Amendment | Preliminary Review | Vacant Zone Residential | Vacant Zone Residential with a Unit Allocation | Infill Zoned Residential | Military Housing Completed | Military Housing under Construction | Military Housing Planned | Total Adequate Housing Sites Inventory |
| Old San Diego | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 Net Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 Infill/Vacant \geq 30 DU/AC |
| Otay Mesa | 1,472 | 493 | 0 | 3,477 | 1,592 | 200 | 115 | 2,106 | 0 | 0 | 0 | 0 | 9,455 Net Units |
| | 0 | 0 | 0 | 0 | 95 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 95 Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 Infill/Vacant \geq 30 DU/AC |
| Otay Mesa-Nestor | 44 | 91 | 45 | 179 | 0 | 0 | 17 | 0 | 0 | 0 | 0 | 0 | 376 Net Units |
| | 0 | 50 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 50 Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 17 | 0 | 0 | 0 | 0 | 0 | 17 Infill/Vacant \geq 30 DU/AC |
| Pacific Beach | 166 | 84 | 0 | 18 | 0 | 0 | 0 | 0 | 14 | 0 | 0 | 0 | 282 Net Units |
| | 14 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16 Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14 | 0 | 0 | 0 | 14 Infill/Vacant \geq 30 DU/AC |
| Pacific Highlands Ranch | 408 | 1,197 | 1,305 | 855 | 0 | 0 | 0 | 563 | 0 | 0 | 0 | 0 | 4,328 Net Units |
| | 123 | 60 | 108 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 291 Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 Infill/Vacant \geq 30 DU/AC |
| Peninsula | 258 | 102 | 31 | 0 | 0 | 89 | 0 | 0 | 603 | 173 | 0 | 0 | 1,256 Net Units |
| | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 595 | 0 | 0 | 0 | 595 Infill/Vacant \geq 30 DU/AC |
| Rancho Bernardo | 40 | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 50 Net Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 Infill/Vacant \geq 30 DU/AC |

TABLE 23

ADEQUATE HOUSING SITES INVENTORY SUMMARY TABLE BY COMMUNITY PLAN AREA (continued)

| See Notes: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | See Notes: | |
|------------------------|-----------------|--------------------------|-----------------|-------------------|---------------------------------------|--------------------|-------------------------|--|--------------------------|----------------------------|-------------------------------------|--------------------------|------------|----------------------------------|
| Community Plan Areas | Units Completed | Units under Construction | Units Permitted | Review in Process | Review in Process with Plan Amendment | Preliminary Review | Vacant Zone Residential | Vacant Zone Residential with a Unit Allocation | Infill Zoned Residential | Military Housing Completed | Military Housing under Construction | Military Housing Planned | Total | Adequate Housing Sites Inventory |
| Rancho Encantada | 52 | 150 | 657 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 859 | Net Units |
| | 0 | 0 | 106 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 106 | Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Infill/Vacant ≥ 30 DU/AC |
| Rancho Penasquitos | 1 | 10 | 0 | 403 | 0 | -152 | 0 | 0 | 0 | 0 | 0 | 0 | 262 | Net Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Infill/Vacant ≥ 30 DU/AC |
| Sabre Springs | 288 | 60 | 0 | 0 | 42 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 390 | Net Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Infill/Vacant ≥ 30 DU/AC |
| San Ysidro | 30 | 69 | 0 | 130 | 0 | 374 | 7 | 0 | 0 | 0 | 0 | 0 | 610 | Net Units |
| | 8 | 60 | 0 | 8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 76 | Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Infill/Vacant ≥ 30 DU/AC |
| Scripps Miramar Ranch | 115 | 0 | 0 | 170 | 814 | 44 | 0 | 0 | 0 | 0 | 0 | 0 | 1,143 | Net Units |
| | 0 | 0 | 0 | 17 | 84 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 101 | Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Infill/Vacant ≥ 30 DU/AC |
| Serra Mesa | 1 | 8 | 164 | 0 | 287 | 0 | 2 | 0 | 53 | 0 | 86 | 0 | 601 | Net Units |
| | 0 | 0 | 0 | 0 | 29 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 29 | Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 53 | 0 | 0 | 0 | 53 | Infill/Vacant ≥ 30 DU/AC |
| Skyline-Paradise Hills | 10 | 20 | 66 | 0 | 0 | 0 | 0 | 0 | 71 | 0 | 0 | 0 | 167 | Net Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Affordable Project Units |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 71 | 0 | 0 | 0 | 71 | Infill/Vacant ≥ 30 DU/AC |

TABLE 23

ADEQUATE HOUSING SITES INVENTORY SUMMARY TABLE BY COMMUNITY PLAN AREA (continued)

| See Notes: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | See Notes: |
|------------------------|-----------------|--------------------------|-----------------|-------------------|---------------------------------------|--------------------|-------------------------|------------------------------------|--------------------------|----------------------------|-------------------------------------|--------------------------|--|
| Community Plan Areas | Units Completed | Units under Construction | Units Permitted | Review in Process | Review in Process with Plan Amendment | Preliminary Review | Vacant Zone Residential | Vacant Zone Residential Allocation | Infill Zoned Residential | Military Housing Completed | Military Housing under Construction | Military Housing Planned | Total Adequate Housing Sites Inventory |
| Southeastern San Diego | 126 | 84 | 114 | 46 | 319 | 215 | 47 | 0 | 0 | 0 | 0 | 0 | 951 |
| Southeastern | 18 | 0 | 16 | 51 | 0 | 227 | 0 | 0 | 0 | 0 | 0 | 0 | 312 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tierrasanta | 1 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Torrey Highlands | 921 | 133 | 193 | 296 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,543 |
| | 26 | 122 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 148 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Torrey Hills | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Torrey Pines | 11 | 10 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 23 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| University | 590 | 1,501 | 115 | 0 | 1,021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,227 |
| | 0 | 140 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 140 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Uptown | 473 | 425 | 245 | 353 | 27 | 288 | 60 | 0 | 5,509 | 0 | 0 | 0 | 7,380 |
| | 16 | 0 | 19 | 82 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 120 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 60 | 0 | 5,508 | 0 | 0 | 0 | 5,568 |
| Total | 15,030 | 12,358 | 8,044 | 15,483 | 8,680 | 4,246 | 1,274 | 2,669 | 50,128 | 173 | 86 | 1,600 | 119,771 |
| | 1,562 | 961 | 629 | 991 | 720 | 747 | 0 | 0 | 0 | 0 | 0 | 0 | 5,610 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 467 | 0 | 49,927 | 0 | 0 | 0 | 50,394 |

Notes:

1. Completed: Housing units completed based on building and completion permit data from July 2003 to March 2005.
2. Under Construction: Housing units under construction based on building permit data from July 2003 to March 2005.
3. Permitted: Housing units that have received discretionary permits, but are not under construction.
4. Review in Process: Housing units that have a discretionary permit application in review.
5. Review in Process with Plan Amendment: Housing units that have a discretionary permit application in review with a plan amendment initiated to allow the units.
6. Preliminary Review: Housing units that have been presented by an applicant for discussion purposes for determining the feasibility of the development project prior to be submitted for review.
7. Vacant - Zoned Residential: Vacant land that is zoned for residential uses - calculated at 85 percent of the maximum density permitted by existing zoning.
8. Vacant - Zoned Residential with a Unit Allocation: Vacant land that is zoned for residential uses with the maximum number of units allowed by the adopted land use plan.
9. Infill - Zoned Residential: Developed land zoned for residential uses, which could contain additional units-calculated at 85 percent of the maximum density permitted by existing zoning.
10. Military Housing - Completed: Housing units for military families located off-base that are completed based on building and completion permit data from July 2003 to March 2005.
11. Military Housing - Under Construction: Housing units for military families located off-base that are under construction based on building permit data from July 2003 to March 2005.
12. Military Housing - Planned: Housing units for military families that are in the planning process, but have not received federal government approval.
13. Total Net Units: The total number of net housing unit gained. (The existing number of housing units subtracted from the under construction, permit, planned.)
14. Affordable Project Units: The total number of affordable housing units that are apart of a development project that are: completed, under construction, permitted, or in the development review process.

ADEQUATE SITES INVENTORY—CAPACITY ASSUMPTIONS

The Adequate Housing Sites Inventory demonstrates that the housing potential on land suitable for residential development is adequate to accommodate the City's housing allocation of 45,741 total units over a seven-year period between January 2003 and July 2010. Over this period, the City identified enough sites to accommodate approximately 120,000 potential housing units of which 56,000 could be low- or very low-income units (i.e., either permitted for affordable housing units or allow density of 30 dwelling units per acre or more). **Table 23** shows a summary of the inventory by community planning area.

Density Assumptions

In determining the residential development potential of vacant and infill sites, it has been assumed that development will occur at 85 percent of the maximum allowable density. This assumption is based on recent experience. The high price of land in San Diego is resulting in increasingly efficient development at higher densities than was typical in the past in areas where zoning allows denser development. Community plans contain density ranges with maximums and minimum units per acre. Community plan maximum allowed densities generally correspond to the maximums allowed by zoning. In recent years, the City has been enforcing the minimum community plan density as well as the maximum for discretionary projects and has been encouraging development to achieve densities as close as possible to the allowed maximums. Given the strong demand for residential development in San Diego, many recent development projects are being submitted with residential densities near the maximum density allowed. In some instances developers have even exceeded the maximums using the state density bonus program.

Existing Units

Many sites with residential development potential already contain some units on site. The inventory calculates net units as the increased number of units that are possible on these sites. Existing units are not included in this total. The detailed inventory also includes gross unit totals, which include the existing units on these underdeveloped sites as well as the potential new units. The inventory does not contain any previously existing units that were recently replaced on a one-to-one basis, such as the homes rebuilt in areas burned by the Cedar Fire in 2003.

Data Sources

The inventory was developed using Geographic Information System (GIS) and was based on building permit data, SanGIS parcel data, San Diego Association of Governments (SANDAG) land use data, Centre City Development Corporation data, San Diego Housing Commission Data, and City of San Diego Redevelopment Agency data, as well as Planning Department information.

Completed, Under Construction, or Permitted

The timeframe used to calculate the regional housing share for San Diego County was from January 2003 to January 2010. This includes units completed, under construction in and in the permitting process as well as potential future residential units on vacant or underdeveloped infill sites. The City compiled building permits and building completion permit data from July 2003 to March 2005 using a methodology that precluded double counting. Given the strong regional demand for housing, it is reasonable to assume that the sites with discretionary development permits should be completed prior to 2010.

Housing units completed or under construction in San Diego indicate significant progress toward meeting a large share of the City's total housing goal. Between July 2003 to March 2005, a total of 15,030 new housing units had been constructed, and as of March 2005, an additional 12,358 were under construction, yielding a total of 27,388 new housing units produced citywide. In addition, 8,044 housing units have received discretionary development approval, but had not yet started construction. In total, the inventory consists of 35,432 new housing units either completed, under construction, or have received discretionary development permits. 3,152 of these units are restricted affordable units.

Review in Process

The inventory includes housing units that were in the process of being reviewed for discretionary development approvals. As of mid-2005, there were 15,483 units being reviewed that did not require a community plan amendment and 8,680 units that did require an amendment. In addition, there were 4,246 units that had been submitted to the City for preliminary review. In total, the inventory contains 28,409 housing units that are in some stage of discretionary review.

Units completed since 2003, under construction, permitted and in the review process total 63,841 total housing units. This number exceeds the total number of units needed to meet the City's Regional Housing Needs Allocation Goal of 45,741 total units without consideration of other potential units on vacant or infill sites. 5,610 of these units are restricted affordable units. A great majority of these are restricted low- and very-low income units.

Vacant Land

The city has identified potential housing sites on vacant developable land that is designated for and capable of providing new housing units. A vast majority of these sites are within newly developing community planning areas. The remaining are vacant lots zoned for residential uses within existing urban areas. Most are zoned and designated for single-family units. As of mid-2005, there were vacant sites zoned for residential uses that could provide 1,274 future housing units.

In addition to vacant sites zoned for residential, there were sites that have been allocated a number of units as part of an adopted community, precise, or specific plan. This is done as part of a planned development project with established unit totals for each development area in a plan. There were 2,669 units that were specifically allocated by a plan. In total, the inventory contains 3,943 potential new housing units that are on vacant developable sites.

Infill Opportunity

The City has identified “infill housing opportunity sites” capable of accommodating approximately 50,128 additional units. Community planners assigned to each of the City’s 43 community planning areas participated in the process of identifying the sites that have potential for infill housing development in the next several years. All of the identified sites are zoned for multifamily or mixed-use development along major transit corridors, in the downtown, and in higher density mixed-use areas, and thus could accommodate a range of income types. Most of the infill sites are zoned for residential densities at or above 30 units per acre and therefore have potential to accommodate affordable housing. Many of these sites are located within a redevelopment project area and other areas that have been experiencing recent development activity. They are located predominantly in areas where the General Plan and other City policies encourage additional development such as in “village” areas adjacent to light rail stations or other transit hubs. Although many of the infill opportunity sites are smaller parcels, it is likely, based on recent development trends, that most future residential development projects will involve consolidation of two or more parcels.

During the past five years there has been a very noticeable increase in development interest and applications for multifamily development at higher densities than had existed previously in older areas of the City within five miles of downtown. Several large residential developers who had previously focused on suburban development have refocused their future plans on infill development. The one downside of this trend is that the increased land costs have made it very difficult for affordable housing developers to compete for land with market rate developers. In the areas with the highest land costs, such as downtown, a majority of residential development occurring on land zoned and designated for over 30 dwelling units per acre are high-end market rate units. However, through use of a variety of subsidies, some affordable units are being built in even the highest priced areas.

Military Family Housing

The City has identified housing units for military families in the inventory. Given the strong military presences in both the City and the region, there is a need to provide housing for the families of military personnel stationed in San Diego. Families that are unable to obtain on- or off-base housing have difficulty finding affordable housing in the region’s strong rental market. Due to high rental costs and the shortage of affordable housing for military families in San Diego, the U.S. Department of Defense has partnered with developers to build additional housing units and rehabilitate existing units for military families.

The inventory contains sites that have been completed, under construction or planned for military family housing within the City. Between July 2003 to March 2005, a total of 173 new military housing units had been constructed, and as of March 2005, an additional 86 were under construction, yielding a total of 259 new military family housing units citywide. In addition, 1,600 military housing units were in the planning process, but had not yet started construction. In total, the inventory consists of 1,859 new military family housing units either completed, under construction, or in the planning process. These units will be offered to military families at rents below market rate, and thus reduce the need for military families to compete for housing in the San Diego rental market.

Water and Sewer Capacity

It has been assumed that water and sewer capacity is currently in place or will be constructed as needed to sufficiently serve the additional housing units anticipated to be built from 2005-2010. Water and sewer facilities are existing or planned to accommodate the ultimate buildout of residential and non-residential development designated in the City's many community plans. Planned facilities will be able to accommodate projected growth to 2025 without fundamental changes to the systems. Completion of utilities has not been a major factor delaying residential development in recent years since a major pump station upgrade was completed. With development in San Diego gradually shifting to be primarily infill, the need to construct additional water and sewer facilities is less of an issue than when development was primarily going in previously undeveloped areas.

HOUSING ELEMENT ENVIRONMENTAL CONSTRAINTS

San Diego's ability to grow outward is increasingly constrained by a lack of vacant and developable land. As a result, the City of Villages strategy, which encourages compact infill development, plays an important role in achieving both housing goals and environmental conservation. Implementation of this strategy will help reduce pressure for development in environmentally sensitive areas by preserving open spaces, watershed and habitat areas.

Consistent with the City of Villages strategy, a majority of the potential housing sites identified in the Housing Element are infill sites located in existing urban areas of the City. The sites identified as having been completed, under construction, or having received development permits have already addressed environmental issues as required by the City's development regulations. Most of the vacant sites and potentially redevelopable sites where residential development is permitted that have not yet received permits are located in areas with minimal environmental constraints. Some of the identified sites have topographic features that could impact where on the site development could occur. Generally residential development is not designated on sites with severe topographic or other environmental constraints. A general description of environmental constraints in and of environmental regulations is provided below.

Environmental Regulations

The City uses base zones, overlay zones, grading regulations and supplemental development regulations to assure that development occurs in a manner that protects environmental quality. The City's environmentally sensitive lands regulations are designed to protect, preserve and restore lands containing steep hillsides, sensitive biological resources, coastal beaches, sensitive coastal bluffs and special flood hazard areas. The Land Development Manual Guidelines are designed to ensure that development occurs in a manner that: protects sensitive resources, is in keeping with topography, encourages a sensitive form of development, retains biodiversity and interconnected habitats, maximizes physical and visual public access to and along the shoreline and reduces hazards due to flooding in specific areas while minimizing the need for construction of flood control facilities.

Environmental Constraints to Development

Environmental constraints to residential development within the City typically relate to the presence of one or more of the following factors, which affect the development of housing: multiple habitat planning areas (MHPA), steep slopes, 100-year flood plains, wetlands and geological hazards. The types of environmental constraints vary in different portions of the City. These environmental constraints factors are described in detail in the Conservation and Public Facilities, Services and Safety Element.

Multi-Habitat Planning Area

San Diego contains diverse habitats. The development regulations and guidelines for Environmentally Sensitive Lands implements the City's Multiple Species Conservation Program (MSCP) by placing priority on the preservation of biological resources within the Multi-Habitat Planning Area (MHPA), as identified in the City of San Diego Subarea Plan. The MSCP is a regional conservation plan in which the City of San Diego is a participating member. The MHPA is the planned habitat preserve, and the City of San Diego MSCP Subarea Plan is the policy document through which the MSCP is implemented in the City.

The purpose of the MSCP is to preserve a network of habitat and open space. The plan is designed to preserve native vegetation and meet the habitat needs of multiple species, rather than focusing preservation efforts on one species at a time. By identifying priority areas for conservation and other areas for future development, the MSCP has streamlined existing permit procedures for development projects which impact habitat.

100-Year Flood Plains

San Diego's semi-arid climate makes it susceptible to flooding because of local soil and vegetation characteristics. While the City's numerous canyons and valleys comprise an efficient natural drainage system that results in a low ratio of floodplain area to total land area, there are areas that experience flooding during heavy rains, such as the San Diego River Valley. Flood control has been addressed in the City both through engineered flood control channels and flood plain zoning to significantly restrict building.

Wetlands

San Diego supports a unique assemblage of wetlands, including tidal and freshwater marshes, riparian wetlands and vernal pools. Most of San Diego's coastal wetlands are open to the ocean's tides and contain a mix of ocean and fresh water. Waterways and their riparian areas are critical habitats for a variety of wildlife. Straightening, cementing over and otherwise altering stream channels and wetlands for development removes the opportunities for biodiversity and also impacts important ecological processes that remove pollutants and improve water quality.

Steep Hillides

Canyons, valleys, and hills characterize San Diego's natural topography. Generally, the steep hillsides are defined as those with a natural gradient of at least 25 percent (25 feet of vertical distance for every 100 feet of horizontal distance) and a vertical elevation of at least 50 feet. The grading and alterations of steep hillsides for development is limited to minimize erosion and landform impacts.

Seismic and Geological Hazards

San Diego is located approximately 100 miles west of the San Andreas Fault, the predominate earthquake hazard in the state, and is close to several large active faults capable of producing intense ground shaking. Being situated in such proximity to large faults creates a significant seismic risk in the City of San Diego.

The City uses the San Diego Seismic Safety Study, a set of geologic hazard maps and associated tables, as a guideline to correlate acceptable risk of various land uses with seismic (and geologic) conditions identified for the site. Large and complex structures, and places attracting large numbers of people, are most restricted as to geographic location based on site conditions. These facilities include dams, bridges, emergency facilities, hospitals, schools, churches and multi-story, high-density residential structures. Low- and medium-density residential development is considered land use of a lesser sensitivity and is therefore "suitable" or "provisionally suitable" (requiring mitigation) under most geologic conditions. Uses with only minor or accessory structures can be located on sites with relatively greater risk due to lower user-intensity associated with activities such as parks and open space, agriculture and most industrial land uses. Geotechnical investigations are required to be performed prior to site development.

COASTAL ZONE ANALYSIS

In accordance with California Code 65590 (San Diego Municipal Code Chapter 14, Article 3, Division 8), the Housing Commission sends out surveys when a condominium conversion or demolition of residential units is proposed in within the City's Coastal Zone. The purpose of the surveys is to determine how many units occupied by low- and moderate-income households exist within the projects proposing demolition and replacement or conversion to condominiums. The past few years have seen a dramatic increase in the number of conversions proposed with some 25 projects proposing conversion in the past year. Between January 1, 1982 and June 30, 2005, 138 projects have been surveyed containing roughly 1500 units. The surveys indicate that 82 units occupied by low- and moderate-income residents were demolished or converted during this period. 58 low- and moderate-income units have been built or acquired and rehabilitated within the Coastal Zone to replace these 82 units. The surveys are voluntary and significantly understate the number of low- and moderate-income residents actually displaced. In some projects only five percent of residents responded to the surveys. During the past few years, low- and moderate-income coastal residents displaced by condominium development have received a relocation payment equivalent to three months rent at the project from which they were being displaced.

PUBLIC PARTICIPATION PROCESS

The public participation process for the 2005-2010 Housing Element began in 2002 when the San Diego City Council declared a “Housing State of Emergency” and formed an Affordable Housing Task Force. This diverse 20-person task force, which included stakeholders and representatives with a wide range of views and interests, spent several months developing a comprehensive set of strategies to address the City’s housing crisis. Their report was presented to the City Manager and City Council in June 2003. The report suggested regulations, incentives and financing strategies to address the affordable housing crisis.

There was extensive public participation from 2002-2004 when the recommendations of the Task Force were considered by the Planning Commission and the City Council. Many of the recommendations of this Task Force form the basis for policies and programs in the Housing Element. Some Task Force recommendations were adopted by Council and others have not yet been acted upon but are included in the Housing Element.

In 2004, a Housing Element Working Group was formed for the specific purpose of obtaining public input in the process of preparing the 2005-2010 Housing Element. This balanced group of stakeholders included affordable housing advocates, building and real estate industry representatives, non profit builders and representatives for special needs groups including disabled people, homeless and farm workers. The group met periodically in 2004 to review early drafts and provide input on the document. In addition, some members submitted extensive written comments. The comments were taken seriously and a number of changes and additions were made in response to them.

Workshops and hearings were scheduled at the Community Planners Committee (composed of members of each of the community planning groups), Housing Commission, Planning Commission, Land Use and Housing Committee of the City Council, and the full City Council. The public and stakeholders had an opportunity to provide additional input on the Housing Element at each of these public meetings.

IMPLEMENTATION CHART
HOUSING AFFORDABILITY (continued)

| Program | Policy | 5-Year Target | Responsible Agency | Timing | Financing | Primary Beneficiary |
|---|---|---|---------------------------------|---------------|-----------------------------------|---|
| Condominium Conversion Good Neighbor Policy | Units undergoing conversion from rentals to condominiums shall meet good neighbor standards prior to conversion | Target is for all units undergoing conversion to meet good neighbor standards | Development Services Department | Ongoing | Condominium conversion applicants | Buyers of units being converted to condominiums. Residents of neighborhoods where converted buildings are located |

Goal 4: Significantly increase the number of affordable housing opportunities, both for low-income renters and first-time homebuyers

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