



CITY COUNCIL  
**Staff Report**

**Meeting Date:** March 13, 2018  
**To:** Mayor and City Council  
**From:** Kevin Crawford, City Manager  
**Staff Contact:** Corey Funk, Associate Planner  
[corey.funk@carlsbadca.gov](mailto:corey.funk@carlsbadca.gov) or 760-434-4645  
**Subject:** Adopt a Resolution accepting the Annual Housing Element Progress Report for January 2017 through December 2017.

**Recommended Action**

Adopt a Resolution accepting the Annual Housing Element Progress Report for January 2017 through December 2017.

**Executive Summary**

This is an information report prepared annually that details the status of the city's progress meeting its share of regional housing production goals and implementing the programs of its Housing Element. The City Council is required to consider this report at a public meeting by California Government Code Section 65400(a)(2).

**Discussion**

The attached Annual Housing Element Progress Report for January 2017 through December 2017 (Exhibit 2) has been prepared to fulfill the reporting requirements of the state (Government Code Section 65400(a)(2)) and the city's Housing Element Program 3.18. In addition, preparing and submitting the reports enables the city to apply for certain grants administered by the California Department of Housing and Community Development (HCD) and San Diego Association of Governments (SANDAG), including:

- SANDAG – Smart Growth Incentive Program
- SANDAG – Active Transportation Grant Program
- HCD – Infill Infrastructure Grant Program
- HCD – Housing-Related Parks Program

The Annual Housing Element Progress Report for January 2017 through December 2017 (Exhibit 2) consists of:

- **Housing Production Status (Part 1)** – Provides the status of housing production in the city and the city's progress in meeting its share of regional housing needs during Calendar Year (CY) 2017.
- **Program Implementation Status (Part 2)** – Provides the status of and the city's progress toward implementing the City of Carlsbad 2013-2021 Housing Element programs during CY 2017.

The current Housing Element was adopted by the City Council along with the General Plan Update in September 2015; and underwent a mid-planning period update, which was adopted March 2017. The update made no major changes to the programs of the Housing Element.

### **Fiscal Analysis**

There are no fiscal impacts associated with this report.

### **Next Steps**

Following City Council's acceptance, staff will provide this report to the California Office of Planning and Research, HCD, SANDAG and the City of Carlsbad Planning Commission.

### **Environmental Evaluation (CEQA)**

This report is categorically exempt from environmental review as per CEQA Guidelines Section 15306, which states that information collection activities are exempt from the provisions of CEQA.

### **Public Notification**

This item was noticed in accordance with the Ralph M. Brown Act and was available for viewing at least 72 hours prior to the meeting date.

### **Exhibits**

1. City Council Resolution
2. Report titled: *Annual Housing Element Progress Report for January 2017 through December 2017*

**RESOLUTION NO. 2018-033**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, ACCEPTING THE ANNUAL HOUSING ELEMENT PROGRESS REPORT FOR JANUARY 2017 THROUGH DECEMBER 2017**

WHEREAS, the attached Annual Housing Element Progress Report has been prepared to comply with Government Code Section 65400(a)(2), meet the grant funding requirements of certain San Diego Association of Governments, and California Department of Housing and Community Development programs, and implement Housing Element Program 3.18. The purpose of the report is to provide information to the City Council, the State Office of Planning and Research, the State Department of Housing and Community Development, San Diego Association of Governments and the public as to the status of the Housing Element programs, as well as mark the City’s progress in meeting its share of the region’s housing needs.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct.
2. That the report is accepted and the City Planner is directed to submit the report to the California Office of Planning and Research, the California Department of Housing and Community Development, and the San Diego Association of Governments.


PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the 13th day of March, 2018, by the following vote, to wit:

AYES: M. Hall, K. Blackburn, M. Schumacher, C. Schumacher, M. Packard.

NOES: None.

ABSENT: None.

  
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 MATT HALL, Mayor

  
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 BARBARA ENGLERSON, City Clerk

(SEAL)



**ANNUAL ELEMENT PROGRESS REPORT**  
***Housing Element Implementation***  
(CCR Title 25 §6202 )

Jurisdiction City of Carlsbad  
Reporting Period 1-Jan-17 - 31-Dec-17

**Table A**

**Annual Building Activity Report Summary - New Construction**  
**Very Low-, Low-, and Mixed-Income Multifamily Projects**

Housing Development Information						Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions			
1	2	3	4				5	5a	6	7	8
Project Identifier (may be APN No., project name or address)	Unit Category	Tenure R=Renter O=Owner	Affordability by Household Incomes				Total Units per Project	Est. # Infill Units*	Assistance Programs for Each Development  See instructions	Deed Restricted Units  See instructions	Note below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the jurisdiction determined the units were affordable. Refer to instructions.
			Very Low- Income	Low- Income	Moderate- Income	Above Moderate- Income					
State St. Townhomes	Condo	O		6			6			Inc	
2150432200	SDU	R		1			1			Inc	
1675315200	SDU	R		1			1			Inc	
1670801800	SDU	R		1			1				Owner survey
2161907200	SDU	R		1			1				Owner survey
(9) Total of Moderate and Above Moderate from Table A3			▶▶	18	624	642					
(10) Total by income Table A/A3			▶▶	10	18	624	652				
(11) Total Extremely Low-Income Units*											

\* Note: These fields are voluntary

**ANNUAL ELEMENT PROGRESS REPORT**  
***Housing Element Implementation***  
(CCR Title 25 §6202 )

Jurisdiction City of Carlsbad  
Reporting Period 1-Jan-17 - 31-Dec-17

**Table A2**  
**Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant to GC Section 65583.1(c)(1)**

Please note: Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in GC Section 65583.1(c)(1)

Activity Type	Affordability by Household Incomes				(4) Description of Activity Including Housing Element Program Reference
	Extremely Low-Income*	Very Low-Income	Low-Income	TOTAL UNITS	
(1) Rehabilitation Activity				0	
(2) Preservation of Units At-Risk				0	
(3) Acquisition of Units				0	
(5) Total Units by Income	0	0	0	0	

\* Note: This field is voluntary

**Table A3**  
**Annual building Activity Report Summary for Above Moderate-Income Units (not including those units reported on Table A)**

	1. Single Family**	2. 2 - 4 Units	3. 5+ Units	4. Second Unit	5. Mobile Homes	6. Total	7. Number of infill units*
No. of Units Permitted for Moderate				18		18	
No. of Units Permitted for Above Moderate	318	10	296			624	

\* Note: This field is voluntary \*\* Includes 142 single family attached townhomes

**ANNUAL ELEMENT PROGRESS REPORT**  
***Housing Element Implementation***  
(CCR Title 25 §6202 )

Jurisdiction City of Carlsbad  
Reporting Period 1-Jan-17 - 31-Dec-17

**Table B**

**Regional Housing Needs Allocation Progress**

**Permitted Units Issued by Affordability**

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example.		2010	2011	2012	2013	2014	2015	2016	2017		Total Units to Date (all years)	Total Remaining RHNA by Income Level
Income Level		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9		
Very Low	Deed Restricted	912		35				7			42	870
	Non-deed restricted											
Low	Deed Restricted	693	4	23		6	9	163	8		213	475
	Non-deed restricted			1		1	1		2		5	
Moderate	Deed Restricted	1,062						56			56	833
	Non-deed restricted		2	56	41	5	13	20	18	18	173	
Above Moderate		2,332	371	200	364	201	235	200	439	624	2,634	-302
Total RHNA by COG. Enter allocation number:		4,999										
Total Units ▶▶▶			377	315	405	207	255	229	683	652	3,123	1,876
Remaining Need for RHNA Period ▶▶▶▶▶												

Note: units serving extremely low-income households are included in the very low-income permitted units totals.

# ANNUAL HOUSING ELEMENT PROGRESS REPORT

## *Part 2 – Program Implementation Status*

**January 2017 through December 2017**

<b>CODE KEY</b>	
<b>Status:</b>	<b>Division:</b>
<b>C – Completed</b> = One-time project for which all work has been completed and local approvals have been obtained.	<b>B – Building</b>
<b>O – Ongoing</b> = Completed program, but one that requires recurring activity.	<b>CED – Community &amp; Economic Development</b>
<b>I – In Process</b> = Staff work is well under way and program will be implemented soon (including any necessary hearings).	<b>HNS – Housing &amp; Neighborhood Services</b>
<b>P – Pending</b> = Program for which preliminary work needs to be initiated, or program is in early stages of work.	<b>P – Planning</b>
<b>D – Delete</b> = Program that may no longer be necessary or relevant due to another program, changed circumstances, or policy change.	<b>F – Finance</b>

PART 2 – PROGRAM IMPLEMENTATION STATUS – JANUARY 2017 THROUGH DECEMBER 2017

**TABLE 2.1 – CY 2017 HOUSING ELEMENT PROGRAM IMPLEMENTATION STATUS**

HE Program	Program #	Description	Status	Division	Comments
Condominium Conversion	1.1	The city will continue to discourage and/or restrict condominium conversions when such conversions would reduce the number of low or moderate income housing units available throughout the city. All condominium conversions are subject to the city's Inclusionary Housing Ordinance; the in-lieu fees or actual affordable units required by the ordinance would be used to mitigate the loss of affordable rental units from the city's housing stock.	O	P	The city considers condominium conversions on a case by case basis. In 2017, the city approved the conversion of one duplex into a two-unit condominium. Consistent with Inclusionary Housing Ordinance, the project conditions of approval require the payment of a housing in-lieu fee.
Mobile Home Park Preservation	1.2	<p>The city will continue to implement the city's Residential Mobile Home Park zoning ordinance (Municipal Code Chapter 21.37) that sets conditions on changes of use or conversions of mobile home parks, consistent with Government Code Section 66427.5.</p> <p>The city will also assist lower income tenants of mobile home parks to research the financial feasibility of purchasing their mobile home parks so as to maintain the rents at levels affordable to its tenants.</p>	O	P, HNS	The city continues to implement the mobile home zoning ordinance. No applications for change in use or conversion of a mobile home park were received in 2017.



PART 2 – PROGRAM IMPLEMENTATION STATUS – JANUARY 2017 THROUGH DECEMBER 2017

**TABLE 2.1 – CY 2017 HOUSING ELEMENT PROGRAM IMPLEMENTATION STATUS**

HE Program	Program #	Description	Status	Division	Comments
Acquisition/ Rehabilitation of Rental Housing	1.3	<p>The city will continue to provide assistance on a case-by-case basis to preserve the existing stock of lower and moderate income rental housing, including:</p> <ul style="list-style-type: none"> <li>• Provide loans, grants, and/or rebates to owners of rental properties to make needed repairs and rehabilitation.</li> <li>• As financially feasible, acquire and rehabilitate rental housing that is substandard, deteriorating or in danger of being demolished. Set-aside at least 20 percent of the rehabilitated units for extremely- and/or very low income households.</li> <li>• As appropriate and determined by City Council, provide deferral or subsidy of planning and building fees, and priority processing. Priority will be given to repair and rehabilitation of housing identified by the city's Building Division as being substandard or deteriorating, and which houses lower income and in some cases moderate income households.</li> </ul>	O	HNS, B	<p>Requests for acquisition/rehabilitation of rental properties are considered on a case by case basis.</p> <p>On November 6, 2012, the City Council approved a \$7.4 million residual receipts loan from the Housing Trust Fund to assist with the acquisition of and rehabilitation of 42 1950's era duplex units in the Barrio (known as the Carol/Harding project) and in 2013, acquisition of the property was completed. The rehabilitated units were rent-restricted for 55 years to low income households (50-60% AMI). In Aug. 2015, the owner submitted an application (SDP 15-18 – Pacific Wind) which proposed to demolish 44 duplex units, consolidate the lots and construct a 93-unit apartment project that would be 100% affordable. In July 2017, the City Council approved the project. Relocation assistance will be provided to existing tenants of the duplexes.</p>

PART 2 – PROGRAM IMPLEMENTATION STATUS – JANUARY 2017 THROUGH DECEMBER 2017

**TABLE 2.1 – CY 2017 HOUSING ELEMENT PROGRAM IMPLEMENTATION STATUS**

HE Program	Program #	Description	Status	Division	Comments
Rehabilitation of Owner-Occupied Housing	1.4	As the housing stock ages, the need for rehabilitation assistance may increase. The city will provide assistance to homeowners to rehabilitate deteriorating housing. Eligible activities under this program include such things as repairing faulty plumbing and electrical systems, replacing broken windows, repairing termite and dry-rot damage, and installing home weatherization improvements. Assistance may include financial incentives in the form of low interest and deferred payment loans, and rebates. Households targeted for assistance include lower-income and special needs (disabled, large, and senior) households.	O	HNS	The city has implemented a Minor Home Repair Grant Program for low-income owner-occupied properties that provides loans of up to \$5,000, which are forgiven after five years. In 2017, the city entered into one loan agreement with a resident.
Preservation of At-Risk Housing	1.5	One project within the city—Santa Fe Ranch Apartments—may be considered as at risk if the owner pays off bonds early. While this is unlikely since the current income at affordable levels is not substantially lower than the potential income at market rates, the city will nonetheless monitor its status. Through monitoring, the city will ensure tenants receive proper notification of any changes. The city will also contact nonprofit housing developers to solicit interest in acquiring and managing the property in the event this or any similar project becomes at risk of converting to market rate.	C	HNS	In 2016, the property owners of the Santa Fe Ranch Apartments paid off the bonds, removing the affordability provisions. Given that there are no more “at risk” housing units in the city, this program is considered to be completed.

PART 2 – PROGRAM IMPLEMENTATION STATUS – JANUARY 2017 THROUGH DECEMBER 2017

**TABLE 2.1 – CY 2017 HOUSING ELEMENT PROGRAM IMPLEMENTATION STATUS**

HE Program	Program #	Description	Status	Division	Comments
Adequate Sites to Accommodate the RHNA	2.1	<p>The city will continue to monitor the absorption of residential acreage in all densities and, if needed, recommend the creation of additional residential acreage at densities sufficient to meet the city's housing need for current and future residents. Any such actions shall be undertaken only where consistent with the Growth Management Plan.</p> <p>The analysis in Section 10.3 (Resources Available) identifies examples of how housing has been built on very small sites, such as in the Village and Barrio. However, to expand opportunities for additional affordable housing, the city will encourage the consolidation of small parcels in order to facilitate larger-scale developments that are compatible with existing neighborhoods. Specifically, the city will continue to make available an inventory of vacant and underutilized properties to interested developers, market infill and redevelopment opportunities throughout the city, including the Village and Barrio, and meet with developers to identify and discuss potential project sites.</p>	O	HNS, P	<p>The city reviews residential development applications for compliance with meeting the minimum densities on which the city relies to meet its share of regional housing needs. Consistent with state law and the city's land use policies, the city shall not approve applications below the minimum densities established in the Housing Element unless it makes the following findings:</p> <ul style="list-style-type: none"> <li>a. The reduction is consistent with the adopted general plan, including the housing element.</li> <li>b. The remaining sites identified in the housing element are adequate to accommodate the city's share of the regional housing need pursuant to Government Code Section 65584.</li> </ul> <p>The city continues to make available an inventory of vacant and underutilized properties and works with interested developers on infill and redevelopment opportunities. In August 2015, the owner of the Carol Harding duplexes (see program 1.3) submitted an application (SDP 15-18 – Pacific Wind) which proposed to demolish 44 duplex units, consolidate the lots and construct a 93-unit apartment project that would be 100% affordable. In July 2017, the City Council approved the project. Relocation assistance will be provided to existing tenants of the duplexes.</p>

PART 2 – PROGRAM IMPLEMENTATION STATUS – JANUARY 2017 THROUGH DECEMBER 2017

**TABLE 2.1 – CY 2017 HOUSING ELEMENT PROGRAM IMPLEMENTATION STATUS**

HE Program	Program #	Description	Status	Division	Comments
Flexibility in Development Standards	2.2	The Planning Division, in its review of development applications, may recommend waiving or modifying certain development standards, or propose changes to the Municipal Code to encourage the development of low and moderate income housing. The city offers offsets to assist in the development of affordable housing citywide. Offsets include concessions or assistance including, but not limited to, direct financial assistance, density increases, standards modifications, or any other financial, land use, or regulatory concession that would result in an identifiable cost reduction.	O	P	<p>The city considers density increases, waivers and modifications to development standards to assist in the development of affordable housing on a case by case basis.</p> <p>In 2017, the following projects were reviewed or approved and included density increases and/or modifications to development standards:</p> <ul style="list-style-type: none"> <li>• The city approved an application for RP 16-05 – Carlsbad Village Lofts, which proposed 106 residential units, 9,659 sf of commercial space and 1,099 sf of office space. The project requested a density bonus from 35 to 47.5 du/ac.</li> <li>• SDP 16-12 – Harding Veterans Housing was approved by the Planning Commission in January 2017. The project is a 26 unit affordable apartment building and received approval for a density increase from 30 to 48 du/a, plus standards modifications for a reduction in the required parking and for parking in the front yard setback.</li> <li>• SDP 16-13 – Oak Veterans Housing was approved by the Planning Commission in January 2017. The project is a 24 unit affordable apartment building and received approval for a density increase from 30 to 55 du/a, plus standards modifications for a reduction in the required parking and for parking in the front yard setback.</li> <li>• The Pacific Wind project was approved in July 2017, which proposed a lot consolidation, the demolition of 44 existing duplexes units, and the construction of 93 affordable apartment units; is also requesting a standards modification for a parking reduction.</li> <li>• The city is currently reviewing the EIR 2018-0001 – Laurel Tree Carlsbad Apartments, which is proposing a density increase of 105 units above the General Plan allocation of 224 units, for a total of 329 units. The project is currently proposing 82 affordable units, which exceeds the requirements of the Inclusionary Housing ordinance.</li> </ul>

PART 2 – PROGRAM IMPLEMENTATION STATUS – JANUARY 2017 THROUGH DECEMBER 2017

<p>Mixed Use</p>	<p>2.3</p>	<p>The city will encourage mixed-use developments that include a residential component. Major commercial centers should incorporate, where appropriate, mixed commercial/residential uses.</p>	<p>O</p>	<p>P</p>	<p>The city considers mixed use developments on a case by case basis.</p> <p>The following mixed-use projects were reviewed or approved in the Village area in 2017:</p> <ul style="list-style-type: none"> <li>• The city approved an application for RP 16-05 – Carlsbad Village Lofts, which proposed 106 residential units, 9,659 sf of commercial space and 1,099 sf of office space. The project requested a density bonus from 35 to 47.5 du/ac.</li> <li>• RP 15-16 – 4 Plus 1 Luxury Living was approved by the City Council in January 2017, which proposed four apartments and 1,105 sf of commercial space.</li> <li>• The city approved an application for RP 2016-0001 – Townhouse, which proposed three residential condos and 6,652 sf of office space.</li> <li>• The city approved an application for RP 15-06(A) – The Grand Madison. This is an amendment to a previously approved mixed-use project which originally proposed retail, office and four residential units. The amendment proposed to exchange the office portion of the project for seven additional residential units.</li> <li>• The city received an application for RP 16-13 – Carlsbad Village Center, which proposes five residential units, 6,421 sf of retail and 3,780 sf of office space. The project received a recommendation of approval from the Planning Commission in December 2017. The application was heard by the City Council in February 2018, and was continued to March 2018.</li> <li>• The city approved an application for RP 16-09 – Beach Village Life 1, which proposed 10 residential condos, 13 hotel rooms and 2,000 sf of commercial space.</li> <li>• The city received an application for RP 2017-0009 – Six on Madison, which proposes six residential units and 1,000 sf of commercial space.</li> </ul>
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PART 2 – PROGRAM IMPLEMENTATION STATUS – JANUARY 2017 THROUGH DECEMBER 2017

				<p>Outside of the Village area, the following mixed-use projects were under review or approved in 2017:</p> <ul style="list-style-type: none"> <li>• The City Council approved a development application for EIR 15-01 – Uptown Bressi, which proposed a mixed-use development with 125 townhomes (25 will be affordable) and approximately 85,000 sf of commercial space.</li> <li>• A development application for MP 2016-0001 – Ponto Beachfront was under review for 137 condos and 18,000 sf of commercial/restaurant uses.</li> <li>• The city reviewed an application for SP 16-03 – Marja Acres, which proposes 32 SFDs with 15 ADUs, 151 townhomes, 35 senior apartments and up to 16,000 sf of retail/restaurant and community recreation uses.</li> </ul>
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PART 2 – PROGRAM IMPLEMENTATION STATUS – JANUARY 2017 THROUGH DECEMBER 2017

<p>Energy Conservation</p>	<p>2.4</p>	<p>The city has established requirements, programs, and actions to improve household energy efficiency, promote sustainability, and lower utility costs. The city shall enforce state requirements for energy conservation, including the latest green building standards, and promote and participate in regional water conservation and recycling programs.</p> <ul style="list-style-type: none"> <li>• Create a coordinated energy conservation strategy, including strategies for residential uses, as part of a citywide Climate Action Plan.</li> <li>• In the Village, encourage energy conservation and higher density development by the modification of development standards (e.g. parking standards, building setbacks, height, and increased density) as necessary to:             <ul style="list-style-type: none"> <li>- Enable developments to qualify for silver level or higher LEED (Leadership in Energy and Environmental Design) Certification, or a comparable green building rating, and to maintain the financial feasibility of the development with such certification.</li> <li>- Achieve densities at or above the minimum required if the applicant can provide acceptable evidence that application of the development standards precludes development at such densities.</li> </ul> </li> <li>• Facilitate resource conservation for all households by making available, through a competitive process, CDBG</li> </ul>	<p>O</p>	<p>P, B</p>	<p>The city continues to implement its 2015-adopted Climate Action Plan (CAP). In 2017, the city initiated work on ordinances identified in the CAP to promote energy efficiency and renewable energy use in new residential construction and in existing development undergoing major upgrades. It is anticipated the ordinances will be completed in 2018.</p> <p>In 2017, 691 building permits for photovoltaic panels on residential structures were completed.</p> <p>In 2017, the city continued to implement the 2016 Building Energy Efficiency Standards as established by the CEC.</p> <p>In 2017, the city reviewed and approved several infill projects in the Village and Barrio areas (see comments in Programs 2.1 through 2.3 above.)</p>
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PART 2 – PROGRAM IMPLEMENTATION STATUS – JANUARY 2017 THROUGH DECEMBER 2017

		<p>funds to non-profit organizations that could use such funds to replace windows, plumbing fixtures, and other physical improvements in lower-income neighborhoods, shelters, and transitional housing.</p> <ul style="list-style-type: none"> <li>• Encourage infill development in urbanized areas, particularly in the Village and Barrio, through implementation of the Village Master Plan and Design Manual and the allowed density ranges in the Barrio.</li> </ul>			
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PART 2 – PROGRAM IMPLEMENTATION STATUS – JANUARY 2017 THROUGH DECEMBER 2017

<p>Inclusionary Housing Ordinance</p>	<p>3.1</p>	<p>The city will continue to implement its Inclusionary Housing Ordinance, which requires a minimum of 15 percent of all ownership and qualifying rental residential projects of seven or more units be restricted and affordable to lower income households. This program requires an agreement between all residential developers subject to this inclusionary requirement and the city which stipulates:</p> <ul style="list-style-type: none"> <li>• The number of required lower income inclusionary units;</li> <li>• The designated sites for the location of the units;</li> <li>• A phasing schedule for production of the units; and</li> <li>• The term of affordability for the units.</li> </ul> <p>For all ownership and qualifying rental projects of fewer than seven units, payment of a fee in lieu of inclusionary units is permitted. The fee is based on a detailed study that calculated the difference in cost to produce a market rate rental unit versus a lower-income affordable unit. As of 2013, the in-lieu fee per market- rate dwelling unit was \$4,515. The fee amount may be modified by the City Council from time-to-time and is collected at the time of building permit issuance for the market rate units. The city will continue to utilize inclusionary in-lieu fees collected to assist in the development of affordable units.</p> <p>The city will apply Inclusionary Housing Ordinance requirements to rental</p>	<p>O</p>	<p>P, HNS</p>	<p>The city continues to explore potential adoption of a housing impact fee for development of rental units if affordable units are not included in a development.</p> <p>The city continues to implement its Inclusionary Housing Ordinance. In 2017, building permits were issued for eight dwelling units that were required to be affordable through Inclusionary requirements for the following projects:</p> <ul style="list-style-type: none"> <li>• CT 13-05 – State Street Townhomes – six low income condos</li> <li>• CT 05-18 – Seascape – one low income accessory dwelling unit</li> <li>• CT 14-06 – Afton Way – one low income accessory dwelling unit</li> </ul> <p>Work continued on significant affordable housing projects that began construction in 2016:</p> <ul style="list-style-type: none"> <li>• Building permits were finalized and construction completed for the Chelsea apartments, a 64 unit affordable apartment complex for the Quarry Creek Master Plan.</li> <li>• Construction was underway for the 101 low income senior apartments and 56 moderate income apartments in Robertson Ranch West Village.</li> </ul> <p>In addition, building permits were issued for the following projects in 2017 that were required to purchase Inclusionary Housing credits at existing affordable apartments:</p> <ul style="list-style-type: none"> <li>• CT 13-05 – State Street Townhomes – one credit</li> <li>• CT 14-05 – Magnolia Townhomes – two credits</li> </ul> <p>In 2017 the in-lieu fee per market rate dwelling unit remained at \$4,515.</p>
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PART 2 – PROGRAM IMPLEMENTATION STATUS – JANUARY 2017 THROUGH DECEMBER 2017

		<p>projects if the project developer agrees by contract to limit rent as consideration for a “direct financial contribution” or other form of assistance specified in density bonus law; or if the project is at a density that exceeds the applicable GMCP density, thus requiring the use of “excess dwelling units,” as described in Section 10.3 (Resources Available).</p>			
<p>Excess Dwelling Units</p>	<p>3.2</p>	<p>Pursuant to City Council Policy Statement 43, the city will continue to utilize “excess dwelling units,” described in Section 10.3 (Resources Available), for the purpose of enabling density transfers, density increases/bonuses and General Plan amendments to increase allowed density.</p> <p>Based on analysis conducted in Section 10.4 (Constraints and Mitigating Opportunities), the city can accommodate its 2010-2020 RHNA without the need to utilize excess dwelling units to accommodate the RHNA at each household income level.</p>	<p>O</p>	<p>P</p>	<p>Through its continued implementation of the Growth Management Plan, the city tracks development and the Excess Dwelling Unit Bank in its monthly Development Monitoring Report. As of December 2017, the excess unit balance was 584 dwelling units inside the Village and 413 units outside of the Village. These units are available for qualifying projects, which include affordable housing and density bonuses.</p>

PART 2 – PROGRAM IMPLEMENTATION STATUS – JANUARY 2017 THROUGH DECEMBER 2017

<p>Density Bonus</p>	<p>3.3</p>	<p>Consistent with state law (Government Code sections 65913.4 and 65915), the city continues to offer residential density bonuses as a means of encouraging affordable housing development. In exchange for setting aside a portion of the development as units affordable to lower and moderate income households, the city will grant a density bonus over the otherwise allowed maximum density, and up to three financial incentives or regulatory concessions. These units must remain affordable for a period of no less than 30 years and each project must enter into an agreement with the city to be monitored by the Housing and Neighborhood Services Division for compliance.</p> <p>The density bonus increases with the proportion of affordable units set aside and the depth of affordability (e.g. very low income versus low income, or moderate income). The maximum density bonus a developer can receive is 35 percent when a project provides 11 percent of the units for very low income households, 20 percent for low income households, or 40 percent for moderate income households.</p> <p>Financial incentives and regulatory concessions may include but are not limited to: fee waivers, reduction or waiver of development standards, in-kind infrastructure improvements, an additional density bonus above the requirement, mixed use development, or other financial contributions.</p>	<p>O/C</p>	<p>P, HNS</p>	<p>The city continues to make available density bonuses in compliance with state density bonus law (SDBL). In 2017, the City Council approved one SDBL application: RP 16-05 – Carlsbad Village Lofts. The project requested a density bonus from 35 to 47.5 du/ac. The city also offers density increases through its inclusionary housing program as provided for in Municipal Code Chapter 21.85, see the Oak Veterans Housing, Harding Veterans Housing and Laurel Tree Carlsbad projects under Program 2.2 – Flexibility in Development Standards.</p> <p>The city's density bonus regulations (Municipal Code Chapter 21.86) have been amended consistent with AB 744. Additional revisions are being prepared for consistency with AB 1934, AB 2442, AB 2501 and AB 2556.</p>
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		The city is currently amending its density bonus regulations (Municipal Code Chapter 21.86) to ensure consistency with recent changes to state density bonus law.			
City-Initiated Development	3.4	The city, through the Housing and Neighborhood Services Division, will continue to work with private developers (both for-profit and non-profit) to create housing opportunities for low, very low and extremely low income households.	O	P, HNS	<p>The city continues to provide information and work with developers to assist them in creating additional housing opportunities for lower income households.</p> <p>On November 6, 2012, the City Council approved a \$7.4 million residual receipts loan from the Housing Trust Fund to assist with the acquisition of and rehabilitation of 42 1950's era duplex units in the Barrio (known as the Carol/Harding project) and in 2013, acquisition of the property was completed. The rehabilitated units were rent-restricted for 55 years to low income households (50-60% AMI). In August 2015, the owner submitted an application (SDP 15-18 – Pacific Wind) which proposed to demolish 44 duplex units, consolidate the lots and construct a 93-unit apartment project that would be 100% affordable. In July 2017, the City Council approved the project. Relocation assistance will be provided to existing tenants of the duplexes.</p> <p>On February 14, 2017, the City Council approved a residual receipts loan of \$4,250,000 from the Carlsbad Housing Trust Fund to Affirmed Housing to assist with the financing of construction of fifty (50) affordable apartment homes as part of the Oak Veterans Housing and Harding Veterans Housing (SDP 16-12 and SDP 16-13) projects.</p>

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<p>Affordable Housing Incentives</p>	<p>3.5</p>	<p>The city will consider using Housing Trust Funds on a case-by-case basis to offer a number of incentives to facilitate affordable housing development. Incentives may include:</p> <ul style="list-style-type: none"> <li>• Payment of public facility fees;</li> <li>• In-kind infrastructure improvements, including but not limited to street improvements, sewer improvements, other infrastructure improvements as needed;</li> <li>• Priority processing, including accelerated plan-check process, for projects that do not require extensive engineering or environmental review; and</li> <li>• Discretionary consideration of density increases above the maximum permitted by the General Plan through review and approval of a site development plan (SDP).</li> </ul>	<p>O</p>	<p>P, HNS, F</p>	<p>The city continues to offer incentives to facilitate affordable housing, including those listed in Program 2.2 above and Program 3.5.</p>
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<p>Land Banking</p>	<p>3.6</p>	<p>The city will continue to implement a land banking program to acquire land suitable for development of housing affordable to lower and moderate income households. The land bank may accept contributions of land in-lieu of housing production required under an inclusionary requirement, surplus land from the city or other public entities, and land otherwise acquired by the city for its housing programs. This land would be used to reduce the land costs of producing lower and moderate income housing by the city or other parties.</p> <p>The city has identified a list of nonprofit developers active in the region. When a city-owned or acquired property is available, the city will solicit the participation of these nonprofits to develop affordable housing. Affordable housing funds will be made available to facilitate development and the city will assist in the entitlement process.</p>	<p>O</p>	<p>HNS</p>	<p>The city continues to implement a land banking program to acquire land suitable for development of housing affordable to lower and moderate income households. In 2017, there were no offers to donate land for affordable housing.</p>
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<p>Housing Trust Fund</p>	<p>3.7</p>	<p>The city will continue to maintain the Housing Trust Fund for the fiduciary administration of monies dedicated to the development, preservation and rehabilitation of affordable housing in Carlsbad. The Housing Trust Fund will be the repository of all collected in-lieu fees, impact fees, housing credits, loan repayments, and related revenues targeted for proposed housing as well as other local, state and federal funds.</p> <p>The city will explore additional revenue opportunities to contribute to the Housing Trust Fund, particularly, the feasibility of a housing impact fee to generate affordable rental units when affordable units are not included in a rental development.</p>	<p>O</p>	<p>HNS, F</p>	<p>The city continues to maintain the Housing Trust Fund, which had an available balance of approximately \$15.4 million as of December 31, 2017.</p> <p>In 2017, the city reviewed or approved the following requests for Housing Trust Fund money:</p> <ul style="list-style-type: none"> <li>• The City Council approved a residual receipts loan of \$4,250,000 for Oak Veterans Housing and Harding Veterans Housing (SDP 16-12 and SDP 16-13), which propose a total of 50 very low and extremely low income apartments for veterans, including a portion of each dedicated to homeless housing.</li> </ul>
<p>Section 8 Housing Choice Vouchers</p>	<p>3.8</p>	<p>The Carlsbad Housing Authority will continue to administer the city’s Section 8 Housing Choice Voucher program to provide rental assistance to very low income households.</p>	<p>O</p>	<p>HNS</p>	<p>The Housing Authority continues to operate Section 8 Housing Choice Voucher Program. The \$6.1 million federally funded program assisted approximately 600 households in 2017.</p>
<p>Mortgage Credit Certificates</p>	<p>3.9</p>	<p>The city participates in the San Diego Regional Mortgage Credit Certificate (MCC) Program. By obtaining a MCC during escrow, a qualified homebuyer can qualify for an increased loan amount. The MCC entitles the homebuyer to take a federal income tax credit of 20 percent of the annual interest paid on the mortgage. This credit reduces the federal income taxes of the buyer, resulting in an increase in the buyer’s net earnings.</p>	<p>O</p>	<p>HNS</p>	<p>The city continues to participate in the MCC Program, however, no certificates issued in 2017.</p>

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<p>Senior Housing</p>	<p>3.10</p>	<p>The city will continue to encourage a wide variety of senior housing opportunities, especially for lower-income seniors with special needs, through the provision of financial assistance and regulatory incentives as specified in the city's Housing for Senior Citizens Ordinance (Municipal Code Chapter 21.84). Projects assisted with these incentives will be subjected to the monitoring and reporting requirements to assure compliance with approved project conditions.</p> <p>In addition, the city has sought and been granted California Constitution Article 34 authority by its voters to produce up to 200 senior-only, low-income restricted housing units. The city would need to access its Article 34 authority only when it provides financial assistance and regulates more than 51 percent of the development.</p>	<p>O</p>	<p>HNS, P</p>	<p>The city continues to encourage senior housing opportunities through financial assistance and regulatory incentives.</p> <p>In 2017, progress was made on the following senior housing projects:</p> <ul style="list-style-type: none"> <li>• The Cannon Road Senior Housing project (MP 02-03(H)/SDP 15-19) underwent city review of grading permits, which are anticipated to be issued in spring 2018. The project proposes to construct a 98 unit senior apartment, of which 20 units will be restricted to low income residents.</li> <li>• As part of the inclusionary requirement for the Robertson Ranch West Village Master Plan, construction continued for building permits issued in 2016 for 101 senior apartments restricted to low income tenants.</li> </ul>
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<p>Housing for Persons with Disabilities</p>	<p>3.11</p>	<p>The city has an adopted ordinance to provide individuals with disabilities “reasonable accommodation” in land use, zoning and building regulations. This ordinance seeks to provide equal opportunity in the development and use of housing for people with disabilities through flexibility in regulations and the waiver of certain requirements in order to eliminate barriers to fulfilling this objective.</p> <p>The city will continue to evaluate the success of this measure and adjust the ordinance as needed to ensure that it is effective. Moreover, the city will seek to increase the availability of housing and supportive services to the most vulnerable population groups, including people with disabilities through state and federal funding sources, such as HUD’s Section 811 program and CDBG funding.</p>	<p>O</p>	<p>P</p>	<p>The city continues to consider requests for “reasonable accommodation” in land use, zoning and building regulations on a case by case basis. No reasonable accommodation requests were approved in 2017.</p>
<p>Housing for Large Families</p>	<p>3.12</p>	<p>In those developments that are required to include 10 or more units affordable to lower-income households, at least 10 percent of the lower income units should have three or more bedrooms. This requirement does not pertain to lower-income senior housing projects.</p>	<p>O</p>	<p>P</p>	<p>The city continues to implement this program as part of its inclusionary housing ordinance. In 2017, no permits were issued for three-bedroom affordable units.</p>

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<p>Housing for the Homeless</p>	<p>3.13</p>	<p>Carlsbad will continue to facilitate and assist with the acquisition, for lease or sale, and development of suitable sites for emergency shelters and transitional housing for the homeless population. This facilitation and assistance will include:</p> <ul style="list-style-type: none"> <li>• Participating in a regional or sub-regional summit(s) including decision-makers from north San Diego County jurisdictions and SANDAG for the purposes of coordinating efforts and resources to address homelessness;</li> <li>• Assisting local non-profits and charitable organizations in securing state and federal funding for the acquisition, construction and management of shelters; and</li> <li>• Continuing to provide funding for local and sub-regional homeless service providers that operate temporary and emergency shelters.</li> </ul>	<p>O</p>	<p>HNS</p>	<ul style="list-style-type: none"> <li>• Solutions for Change continues to operate a 16-unit apartment complex that provides permanent affordable housing opportunities for homeless families who have graduated from the Solutions University. In 2015, the property was acquired (with financial help from the city) and families began moving into the property.</li> <li>• Catholic Charities continues to operate the La Posada de Guadalupe emergency shelter, of which a portion of the facility (50 beds) is devoted to serving homeless men.</li> <li>• In 2017 the city approved Oak Veteran’s Housing and Harding Veteran’s Housing (SDP 16-12 and SDP 16-13). Both projects will be affordable to the very low and extremely low income levels, and a portion of each of these apartment complexes will provide housing for homeless veterans (14 units at Oak and 10 units at Harding).</li> <li>• On October 24, 2017, the City Council approved a Homeless Response Plan and authorized staff to prepare a request for proposals for resources and/or services to assist with implementation of the plan. The Homeless Response Plan establishes key principles and system responses that the city will employ to address the community impacts of homelessness. The plan provides strategies to:             <ol style="list-style-type: none"> <li>1. Prevent, reduce and manage homelessness in Carlsbad;</li> <li>2. Support and build capacity within the city and community to address homelessness;</li> <li>3. Encourage collaboration within the city, community partnerships and residents; and</li> <li>4. Retain, protect and increase the supply of housing.</li> </ol> </li> </ul>
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<p>Supportive Services for Homeless and Special Needs Groups</p>	<p>3.14</p>	<p>The city will continue to provide CDBG funds to community, social welfare, non-profit and other charitable groups that provide services for those with special needs in the north San Diego County area.</p> <p>Furthermore, the city will work with agencies and organizations that receive CDBG funds to offer a city referral service for homeless shelter and other supportive services.</p>	<p>O</p>	<p>HNS</p>	<p>During the 2017-2018 CDBG program year, the city allocated \$67,165 in funding assistance to five social service providers in North County which provide shelters and support services for the homeless community.</p>
<p>Alternative Housing</p>	<p>3.15</p>	<p>The city will continue to implement its Second Dwelling Unit Ordinance (Section 21.10.015 of the Carlsbad Municipal Code) and will continue to support alternative types of housing, such as hotels and managed living units to accommodate extremely-low income households.</p>	<p>O</p>	<p>P, HNS</p>	<p>The city continues to implement the Second Dwelling Unit Ordinance and consider alternative types of housing. In 2017, building permits were issued for 21 accessory dwelling units.</p> <p>In September 2017, the city amended its zoning regulations for accessory dwelling units (ADU) to address changes in state law made by AB 2299 and SB 1069. The amendment was approved by the California Coastal Commission with suggested modifications in December 2017.</p>
<p>Military and Student Referrals</p>	<p>3.16</p>	<p>The city will assure that information on the availability of assisted or below-market housing is provided to all lower-income and special needs groups. The Housing and Neighborhood Services Division will provide information to local military and student housing offices of the availability of low-income housing in Carlsbad.</p>	<p>O</p>	<p>HNS</p>	<p>The city provides information on assisted and below market housing to individuals and groups needing that information.</p>

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<p>Coastal Housing Monitoring</p>	<p>3.17</p>	<p>As a function of the building permit process, the city will monitor and record Coastal Zone housing data including, but not limited to, the following:</p> <ol style="list-style-type: none"> <li>1. The number of housing units approved for construction, conversion or demolition within the coastal zone after January 1, 1982.</li> <li>2. The number of housing units for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, required to be provided in new housing developments within the coastal zone.</li> <li>3. The number of existing residential dwelling units occupied by persons and families of low or moderate income that are authorized to be demolished or converted in the coastal zone pursuant to Section 65590 of the Government Code.</li> <li>4. The number of residential dwelling units occupied by persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code that are required for replacement or authorized to be converted or demolished as identified above. The location of the replacement units, either onsite, elsewhere within the city's coastal zone, or within three miles of the coastal zone in the city, shall be designated in the review.</li> </ol>	<p>O</p>	<p>P</p>	<ol style="list-style-type: none"> <li>1. In 2017, building permits were issued for 48 dwelling units in the Coastal Zone: <ul style="list-style-type: none"> <li>• One 2-4 unit structure</li> <li>• Eight accessory dwelling units</li> <li>• 19 single family attached townhomes</li> <li>• 19 single family detached dwellings</li> </ul> </li> <li>2. In 2017, a building permit was issued for one accessory dwelling unit that was required to be affordable at the low income level through the Inclusionary Housing Ordinance (as a part of the CT 05-18 – Seascape project). In addition, building permits were issued for the following project that was required to purchase Inclusionary Housing credits at existing affordable apartments: CT 14-05 – Magnolia Townhomes. Though not required to be affordable, building permits were also issued for seven accessory dwelling units at the moderate income level. For more information, see Program 3.1 – Inclusionary Housing Ordinance.</li> <li>3. None.</li> <li>4. None.</li> </ol>
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<p>Housing Element Annual Progress Report and Mid-Planning Period Housing Element Update</p>	<p>3.18</p>	<p>First, to retain the Housing Element as a viable policy document, the Planning Division will review the Housing Element annually and schedule an amendment if necessary. As required by state law, city staff will prepare and submit annual progress reports to the City Council, SANDAG, and California Department of Housing and Community Development (HCD).</p> <p>Second, Senate Bill 575 requires that a jurisdiction revise its housing element every four years, unless it meets both of the following criteria: (1) the jurisdiction adopted the fourth revision of the element no later than March 31, 2010; and (2) the jurisdiction completed any rezoning contained in the element by June 30, 2010. While implementation of the city's 2005-2010 Housing Element satisfied the first criterion, it did not meet the second. Although rezoning was completed before the end of the extended Housing Element period (April 30, 2013) to satisfy the adequate sites program, it was not completed in time to meet the SB 575 requirement.</p> <p>The city will build on the annual review process to develop a mid-planning period (four-year) Housing Element update that includes the following:</p> <ul style="list-style-type: none"> <li>• Review program implementation and revision of programs and policies, as needed;</li> <li>• Analysis of progress in meeting the RHNA and updates to the sites inventory as needed;</li> </ul>	<p>O</p>	<p>P, HNS</p>	<p>The city will continue its annual reporting.</p> <p>During 2016, the city completed a draft mid-planning period update for the Housing Element, held a public meeting with the city Housing Commission, took public comment and submitted the draft for HCD review. On December 20, 2016, HCD issued a letter stating that the draft meets the statutory requirements of State housing element law. The Housing Element update was adopted by the City Council in March 2017.</p>
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		<ul style="list-style-type: none"> <li>• Outcomes from a study session that will be held with the Planning Commission to discuss mid-period accomplishments and take public comment on the progress of implementation. The city will invite service providers and housing developers to participate.</li> </ul>			
Fair Housing Services	4.1	<p>With assistance from outside fair housing agencies, the city will continue to offer fair housing services to its residents and property owners. Services include:</p> <ul style="list-style-type: none"> <li>• Distributing educational materials to property owners, apartment managers, and tenants;</li> <li>• Making public announcements via different media (e.g. newspaper ads and public service announcements at local radio and television channels);</li> <li>• Conducting public presentations with different community groups;</li> <li>• Monitoring and responding to complaints of discrimination (i.e. intaking, investigation of complaints, and resolution); and</li> <li>• Referring services to appropriate agencies.</li> </ul>	O	HNS	<p>With the assistance of the CDBG grant, the city contracts with CSA San Diego County (CSA), a non-profit organization dedicated to serving the needs of our community, to provide their services to Carlsbad residents and property owners. CSA serves as advocates for fair housing and mediating tenant/landlord issues. Through the Fair Housing Initiatives Program, CSA assists clients with potential discrimination claims and will provide guidance on fair housing laws. Annually, residents are invited to call CSA at no charge and receive assistance.</p>