



CITY COUNCIL

# Staff Report

**Meeting Date:** May 9, 2017  
**To:** Mayor and City Council  
**From:** Kevin Crawford, City Manager *KC*  
**Staff Contact:** Corey Funk, Associate Planner  
[corey.funk@carlsbadca.gov](mailto:corey.funk@carlsbadca.gov) or 760-434-4645  
**Subject:** Approve a Resolution accepting the Annual Housing Element Progress Report for January 2016 through December 2016.

## Recommended Action

Approval of a Resolution accepting the Annual Housing Element Progress Report for January 2016 through December 2016.

## 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.

## Discussion

The attached Annual Housing Element Progress Report for January 2016 through December 2016 (Exhibit 2) has been prepared to fulfill the reporting requirements of the state (Government Code Section 65400) 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 2016 through December 2016 (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) 2016.
- **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 2016. The current Housing Element was adopted by the City Council along with the General Plan Update in September 2015, and is the subject of this progress report. The city council adopted a mid-planning period update to the Housing Element in March 2017. The updated Housing Element made no major program changes.

### **Fiscal Analysis**

This is an information report and the only associated fiscal impact is the cost of staff time to prepare and distribute the report to interested parties.

### **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 report is not a public hearing item and no public notice is required. This report was posted online as part of the City Council agenda a minimum of 72 hours in advance of the meeting.

### **Exhibits**

1. City Council Resolution
2. Report titled: *Annual Housing Element Progress Report for January 2016 through December 2016*

**RESOLUTION NO. 2017-078**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD,  
CALIFORNIA, ACCEPTING THE ANNUAL HOUSING ELEMENT PROGRESS  
REPORT FOR JANUARY 2016 THROUGH DECEMBER 2016

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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:

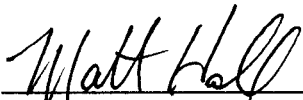
1. That the above recitations are true and correct.
2. That the report is accepted and the City Planner is directed to submit the report to the California Office of Planning and Research, the California Department of Housing and Community Development, and the San Diego Association of Governments.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the 9th day of May, 2017, 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 ENGLESON, City Clerk

(SEAL)



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

**Jurisdiction** City of Carlsbad  
**Reporting Period** 1-Jan-16 - 31-Dec-16

**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					
1563512500	SDU	R		1			1		Inc		
1563512800	SDU	R		1			1		Inc		
1563513400	SDU	R		1			1		Inc		
2230614600	SDU	R		1			1		Inc		
2230612500	SDU	R		1			1		Inc		
Quarry Creek MP	APT	R	7	57			64		Inc		
Robertson Ranch MP	APT	R		101			101		Inc		
Robertson Ranch MP	APT	R			56		56		Inc		
(9) Total of Moderate and Above Moderate from Table A3			▶	▶	18	439	457				
(10) Total by income Table A/A3			▶	▶	7	163	74	439	683		
(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-16 - 31-Dec-16

**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 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 <b>Moderate</b>				18		18	
No. of Units Permitted for <b>Above Moderate</b>	252	6	181			439	

\* Note: This field is voluntary \*\* Includes 56 single family attached townhomes

## ANNUAL ELEMENT PROGRESS REPORT

### *Housing Element Implementation*

(CCR Title 25 §6202 )

**Jurisdiction**            City of Carlsbad  
**Reporting Period**      1-Jan-16      -      31-Dec-16

**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			Total Units to Date (all years)	Total Remaining RHNA by Income Level	
Income Level		RHNA Allocation by 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				205	485
	Non-deed restricted			1		1	1					3	
Moderate	Deed Restricted	1,062								56		56	851
	Non-deed restricted		2	56	41	5	13	20	18			155	
Above Moderate		2,332	371	200	364	201	235	200	439			2,010	322
Total RHNA by COG. Enter allocation number:		4,999											
Total Units			377	315	405	207	255	229	683			2,471	2,528
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 2016 through December 2016**

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

Part 2 – Program Implementation Status – January 2016 through December 2016

TABLE 2.1 – CY 2016 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 2016, the city did not receive or approve any applications for condo conversions, and issued no permits to convert rental housing to condominiums.
Mobile Home Park Preservation	1.2	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.  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.	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 2016.
Acquisition/ Rehabilitation of Rental Housing	1.3	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: <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	Requests for acquisition/rehabilitation of rental properties are considered on a case by case basis.  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) for city review of a proposal to demolish 22 duplexes, consolidate the lots and construct a 90-unit apartment project that would be 100% affordable. In 2016, the application underwent staff review, and public hearings are anticipated in the first half of 2017. Relocation assistance will be provided to existing tenants of the duplexes.



TABLE 2.1 – CY 2016 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. No loans were issued in 2016.
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	<p>The owner of the Santa Fe Ranch Apartments paid off the bonds early and the community is no longer under affordability restrictions. The city's Housing and Neighborhood staff worked with the Santa Fe Ranch owners in an attempt to extend the affordability restrictions for the 64 units. The property owners declined, and in 2016 paid off the bonds, thus removing the affordability provisions. City staff monitored the notices to tenants at Santa Fe Ranch, and successfully assisted in negotiating rents of 26 low income tenants at Santa Fe Ranch so that they could remain in place after the project's conversion to market rate. The city also provides Section 8 rental assistance to maintain housing affordability for these residents.</p> <p>Given that there are no more "at risk" housing units in the city, this program is considered to be completed.</p>

TABLE 2.1 – CY 2016 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> <ol 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> </ol> <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 Aug. 2015, the owner of the Carol Harding duplexes (see program 1.3) submitted an application (SDP 15-18 Pacific Wind) for city review of a proposal to demolish 22 duplexes, consolidate the lots and construct a 90-unit apartment project that would be 100% affordable. In 2016, the application underwent staff review, and public hearings are anticipated in the first half of 2017.</p>

TABLE 2.1 – CY 2016 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 2016, 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 reviewed an application for RP 16-05 Carlsbad Village Lofts, which comprises 106 residential units, 9,659 sf of commercial space and 1,099 sf of office space. The project requested a density increase from 35 to 47.5 du/ac. The Planning Commission and City Council subsequently approved the project in early 2017.</li> <li>- SDP 16-12 Harding Veterans Housing was reviewed by the city in 2016 and approved by the Planning Commission in Jan. 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 reviewed by the city in 2016 and approved by the Planning Commission in Jan. 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 (formerly known as Carol Harding Project), which proposes a lot consolidation, the demolition of 22 existing duplexes, and the construction of 90 affordable apartment units; is also requesting a standards modification for a parking reduction.</li> </ul>

Part 2 – Program Implementation Status – January 2016 through December 2016

<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 2016:</p> <ul style="list-style-type: none"> <li>- CT 13-05 – State Street Townhomes project was approved in June 2014, which includes 41 live/work townhomes and six affordable residential condos. The project issued building permits in 2016.</li> <li>- CT 15-06 – The Wave was approved by the City Council in April 2016, which proposed 8 residential units, 13 timeshare units and one retail space.</li> <li>- The city reviewed an application for RP 16-05 – Carlsbad Village Lofts, which comprises 106 residential units, 9,659 sf. of commercial space and 1,099 sf. of office space. The project requested a density increase from 35 to 47.5 du/ac. The Planning Commission and City Council subsequently approved the project in early 2017.</li> <li>- RP 15-16 – 4 Plus 1 Luxury Living was approved in recommended for approval by the Planning Commission in Nov. 2016 and approved by the City Council in Jan. 2017, which proposed four apartments and 1,105 sf of commercial space.</li> <li>- The city received an application for RP 2016-0001 – Town House, which proposes eight residential condos and one commercial space.</li> <li>- The city received an application for RP 15-16(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 proposes 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.</li> <li>- The city received an application for RP 16-09 – Beach Village Life 1, which proposes 10 residential condos, 13 hotel rooms and 2,000 sf of commercial.</li> </ul> <p>Outside of the Village area, the following mixed use projects were under review or approved in 2016:</p> <ul style="list-style-type: none"> <li>- A development application for the EIR 15-01 – Uptown Bressi project, which proposes a mixed use development with 125 townhomes (25 will be affordable) and approximately 85,000 sf of commercial space. Uptown Bressi was recommended for approval by the Planning Commission in Dec. 2016, and approved by the City Council in Jan. 2017.</li> <li>- A development application for the MP 2016-0001 – Ponto Beachfront project was received for 137 condos and 18,000 sf of commercial/restaurant uses.</li> </ul>
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Part 2 – Program Implementation Status – January 2016 through December 2016

TABLE 2.1 – CY 2016 HOUSING ELEMENT PROGRAM IMPLEMENTATION STATUS					
HE Program	Program #	Description	Status	Division	Comments
					- The city received 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.

TABLE 2.1 – CY 2016 HOUSING ELEMENT PROGRAM IMPLEMENTATION STATUS					
HE Program	Program #	Description	Status	Division	Comments
Energy Conservation	2.4	<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 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.</li> <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>	O	P, B	<p>The city's comprehensive General Plan Update project includes a Climate Action Plan. The General Plan and Climate Action Plan were approved by the City Council in Sept. 2015. In 2016, the city took steps, including partnering with an environmental consulting firm, to implement its CAP by establishing a development review checklist for projects subject to the CAP.</p> <p>In 2016, the city issued 542 building permits for photovoltaic panels on residential structures.</p> <p>In 2016, the city continued to implement the 2013 Building Energy Efficiency Standards as established by the CEC.</p> <p>In 2016, 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>

**TABLE 2.1 – CY 2016 HOUSING ELEMENT PROGRAM IMPLEMENTATION STATUS**

HE Program	Program #	Description	Status	Division	Comments
Inclusionary Housing Ordinance	3.1	<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 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>	O	P, HNS	<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 2016, building permits were issued for 226 dwelling units required to be affordable through Inclusionary requirements for the following projects:</p> <ul style="list-style-type: none"> <li>• Blackstone Ranch/Shelley Property (CT 02-17) – two low income SDUs</li> <li>• Lanai/Miles Pacific Subdivision (CT 12-01) – three low income SDUs</li> <li>• Quarry Creek Master Plan/Chelsea (GPA 11-09) – 64 low income apartments</li> <li>• Robertson Ranch Master Plan West Village (GPA 13-02) – 101 low income senior apartments and 56 moderate income apartments</li> </ul> <p>In addition, the following projects receiving building permits in 2016 purchased Inclusionary Housing credits at existing affordable apartments:</p> <ul style="list-style-type: none"> <li>• Walnut Townhomes (CT 12-03) - two credits</li> </ul> <p>In 2016 the in-lieu fee per market rate dwelling unit remained at \$4,515.</p>

Part 2 – Program Implementation Status – January 2016 through December 2016

TABLE 2.1 – CY 2016 HOUSING ELEMENT PROGRAM IMPLEMENTATION STATUS					
HE Program	Program #	Description	Status	Division	Comments
Excess Dwelling Units	3.2	<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>	O	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 Dec. 2016 the excess unit balance was 759 dwelling units inside the Village and 564 units outside of the Village. These units are available for qualifying projects, which include affordable housing and density bonuses.



TABLE 2.1 – CY 2016 HOUSING ELEMENT PROGRAM IMPLEMENTATION STATUS					
HE Program	Program #	Description	Status	Division	Comments
Density Bonus	3.3	<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>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.</p>	O/C	P, HNS	<p>The city continues to make available density bonuses in compliance with state density bonus law (SDBL). In 2016, there was one SDBL application filed with the city: RP 16-05 Carlsbad Village Lofts. The project requested a density increase from 35 to 47.5 du/ac. (The Planning Commission and City Council subsequently approved the project in early 2017.) The city also offers density increases through its inclusionary housing program as provided for in Municipal Code Chapter 21.85.</p> <p>The city's density bonus regulations (Municipal Code Chapter 21.86) incorporate all recent changes to state density bonus law up to and including AB 744 changes, effective 1/1/16. (The City Council adopted an amendment to address AB 744 in January 2017.)</p> <p>Additional changes to the density bonus law were made by the state at the end of 2016 (ABs 1934, 2442, 2501 and 2556) and will be updated in a future amendment by the City Council in 2017.</p>

TABLE 2.1 – CY 2016 HOUSING ELEMENT PROGRAM IMPLEMENTATION STATUS					
HE Program	Program #	Description	Status	Division	Comments
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 Aug. 2015, the owner submitted an application (SDP 15-18 Pacific Wind) for city review of a proposal to demolish 22 duplexes, consolidate the lots and construct a 90-unit apartment project that would be 100% affordable. Relocation assistance will be provided to existing tenants of the duplexes. In 2016, the application underwent staff review, and public hearings are anticipated in the first half of 2017.</p>
Affordable Housing Incentives	3.5	<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>	O	P, HNS, F	The city continues to offer incentives to facilitate affordable housing, including those listed in Program 2.2 above and Program 3.5.

TABLE 2.1 – CY 2016 HOUSING ELEMENT PROGRAM IMPLEMENTATION STATUS					
HE Program	Program #	Description	Status	Division	Comments
Land Banking	3.6	<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>	O	HNS	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 2016, there were no offers to donate land for affordable housing.
Housing Trust Fund	3.7	<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>	O	HNS, F	The city continues to maintain the Housing Trust Fund, which had an available balance of approximately \$14 million as of December 31, 2016.
Section 8 Housing Choice Vouchers	3.8	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.	O	HNS	The Housing Authority continues to operate Section 8 Housing Choice Voucher Program. The \$6.1 million federally funded program assisted approximately 600 households in 2016.

TABLE 2.1 – CY 2016 HOUSING ELEMENT PROGRAM IMPLEMENTATION STATUS					
HE Program	Program #	Description	Status	Division	Comments
Mortgage Credit Certificates	3.9	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.	O	HNS	The city continues to participate in the MCC Program, however, no certificates issued in 2016.
Senior Housing	3.10	<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>	O	HNS, P	<p>The city continues to encourage senior housing opportunities through financial assistance and regulatory incentives.</p> <p>In 2016, the following senior projects received planning approval or issuance of building permits:</p> <ul style="list-style-type: none"> <li>• The city approved the Cannon Road Senior Housing project (MP 02-03(H)/ SDP 15-19). 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, building permits were issued for 101 senior apartments restricted to low income tenants.</li> </ul>

TABLE 2.1 – CY 2016 HOUSING ELEMENT PROGRAM IMPLEMENTATION STATUS					
HE Program	Program #	Description	Status	Division	Comments
Housing for Persons with Disabilities	3.11	<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>	O	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 2016.
Housing for Large Families	3.12	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.	O	P	The city continues to implement this program as part of its inclusionary housing ordinance. In 2016, 26 three-bedroom affordable units were constructed.
Housing for the Homeless	3.13	<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>	O	HNS	

Part 2 – Program Implementation Status – January 2016 through December 2016

TABLE 2.1 – CY 2016 HOUSING ELEMENT PROGRAM IMPLEMENTATION STATUS					
HE Program	Program #	Description	Status	Division	Comments
Supportive Services for Homeless and Special Needs Groups	3.14	<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>	O	HNS	<p>During the 2016-2017 CDBG program year, the city allocated \$77,689 in funding assistance to five social service providers in North County and serves as a referral agency for homeless shelters and support services. In addition, in June 2016, the city approved a \$600,000 CDBG grant to a local service provider to acquire a commercial building and begin operates as the Carlsbad Service Center. This facility will provide direct benefit to lower income residents and lend assistance with supportive services.</p>
Alternative Housing	3.15	<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>	O	P, HNS	<p>The city continues to implement the Second Dwelling Unit Ordinance and consider alternative types of housing. In 2016, building permits were issued for 23 second dwelling units.</p> <p>In 2017, the city will amend zoning regulations for accessory dwelling units (ADU) to address changes in state law made by AB 2299 and SB 1069.</p>
Military and Student Referrals	3.16	<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>	O	HNS	<p>The city provides information on assisted and below market housing to individuals and groups needing that information.</p>

TABLE 2.1 – CY 2016 HOUSING ELEMENT PROGRAM IMPLEMENTATION STATUS					
HE Program	Program #	Description	Status	Division	Comments
Coastal Housing Monitoring	3.17	<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>	O	P	<ol style="list-style-type: none"> <li>1. In 2016, building permits were issued for 52 dwelling units in the Coastal Zone (two 2-4 unit structures, 10 second dwelling units and 40 single family dwellings, of which nine were attached townhomes).</li> <li>2. In 2016, building permits were issued for three second dwelling units required to be affordable at the low income level (through Inclusionary or Density Bonus requirements) in the Coastal Zone, and six second dwelling units at the moderate income level. The following projects receiving building permits in 2016 purchased two Inclusionary Housing credits at existing affordable apartments: Walnut Townhomes (CT 12-03).</li> <li>3. None.</li> <li>4. None.</li> </ol>

TABLE 2.1 – CY 2016 HOUSING ELEMENT PROGRAM IMPLEMENTATION STATUS					
HE Program	Program #	Description	Status	Division	Comments
Housing Element Annual Progress Report and Mid-Planning Period Housing Element Update	3.18	<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> <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>	O	P, HNS	<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 is scheduled for a Planning Commission hearing in February 2017, followed by City Council consideration to adopt the update in March 2017.</p>



Part 2 – Program Implementation Status – January 2016 through December 2016

TABLE 2.1 – CY 2016 HOUSING ELEMENT PROGRAM IMPLEMENTATION STATUS					
HE Program	Program #	Description	Status	Division	Comments
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	With the assistance of the CDBG grant, the city contracts with CSA San Diego County, a fair housing agency, to provide their services to Carlsbad residents and property owners. Services include those listed in the column to the left.

# ANNUAL HOUSING ELEMENT PROGRESS REPORT

## Appendix A – Description of terms and methods

### JANUARY 2016 THROUGH DECEMBER 2016

**Regional Housing Needs** – The determination of housing need for Carlsbad and all other jurisdictions in California is derived from the Regional Housing Needs Assessment (RHNA) prepared by the local regional councils of government (SANDAG) before the beginning of each housing cycle. Based upon these assessments of *need*, the local jurisdictions are required to adopt housing *objectives* in the housing elements of their general plans.

A regional assessment of housing need is an estimate of the total need for new housing construction throughout the region due to population growth forecasted to occur during a specific time period. The overall housing need is then broken out by four income groups: *very low, low, moderate, and above-moderate (or upper-income)* – all as defined by the federal Department of Housing and Urban Development (HUD), and the state Department of Housing and Community Development (HCD). The regional housing needs are then allocated to the local jurisdictions on a “regional share” basis, according to models and formulas designed by the SANDAG.

Table 1 shows Carlsbad’s share of the current RHNA and is based upon housing growth estimated by the State and SANDAG to occur in Carlsbad during the period January 1, 2010 through Dec. 31, 2020.

TABLE 1: CARLSBAD'S SHARE OF THE RHNA January 1, 2010 through Dec. 31, 2020*		
Income Group	Definition** (% of AMI***)	New Construction Needs (in housing units)
Very Low	50% or under	912
Low	51-80%	693
Moderate	81-120%	1,062
Above-Moderate	Over 120%	2,332
<b>Totals</b>		<b>4,999</b>

\*SANDAG, RHNA PLAN: Fifth Housing Element Cycle Planning for Housing in the San Diego Region 2010 – 2020, Table 4.  
 \*\*Definitions are from HUD, via the California Department of Housing and Community Development.  
 \*\*\*AMI is the Area Median Income. The 2016 AMI for San Diego-Carlsbad MSA for a family of four is \$73,500.

**Definition of Income Groups** – Table 1 defines each of the four income groups as a percentage of the county area median income (AMI). HUD annually revises the AMI based on cost of living issues such as the relationship of housing prices to income. For 2016, HUD established the AMI for San Diego County at \$73,000. In addition to establishing the AMI, HUD also establishes income limits for each of the four income groups which are adjusted for family size so that larger households have higher income limits (see Table 2 below).

TABLE 2: CY 2016 QUALIFYING LIMITS ON ANNUAL INCOME BY HOUSEHOLD SIZE				
Income Group	Persons per household			
	2	4	6	8
Very Low	\$34,000	\$42,500	\$49,300	\$56,100
Low	\$54,400	\$68,000	\$78,900	\$89,800
Moderate	\$64,700	\$80,850	\$93,800	\$106,750
Above Moderate	> \$ 64,700	> \$ 80,850	> \$ 93,800	> \$ 106,750
Source: "2016 Household Income Limits", U.S. Department of Housing and Urban Development (effective March 28, 2016)				

**Prices of Affordable Housing** – Generally, the federal and state rule is that housing is affordable to a given family if the family pays no more than 30% of its monthly income for housing expenses that include the rent or mortgage payment, property taxes, insurance, utilities, and the like. A determination of whether a housing unit is affordable can be easily made for *assisted public* rental housing and other *public* housing programs because documentation is maintained on both the individual household’s income and the actual cost of the unit in question (typically rental). Income group determinations for income restricted (*assisted*) housing units shown in the tables of Part 1 were made by the Carlsbad Housing and Neighborhood Services Department.

To determine affordable housing expenses for rentals, the practice is to set thresholds for each income group, using the 30% rule, with adjustments for the number of bedrooms (a convention developed in 1993 by member agencies of the San Diego Association of Governments assumes two persons per bedroom). An additional adjustment is also made for utility allowance, as required by HUD. Table 3 provides the resulting maximum market rate rental expenses (which include rent and a utility allowance that increases with household size) for the very low, low, and moderate-income groups for CY 2016.

TABLE 3: CY 2016 QUALIFYING RENT AND UTILITY EXPENSES BY NUMBER OF BEDROOMS				
Income Group	Number of bedrooms			
	1	2	3	4
Very Low	\$850	\$1,062	\$1,232	\$1,402
Low	\$1,360	\$1,700	\$1,972	\$2,245
Moderate	\$1,617	\$2,021	\$2,345	\$2,668
Above Moderate	> \$ 1,617	> \$ 2,021	> \$ 2,345	> \$ 2,668
Source: "2016 Household Income Limits", U.S. Department of Housing and Urban Development (effective March 28, 2016)				

With regard to for-sale housing, there is no federal or state required formula to determine the sales price that would be considered affordable. The only federal or state requirement is that the mortgage amount (including taxes, insurance, utilities, etc.) must not exceed 30% of the monthly income of the household (to be considered affordable to a specific income group, see Table 2).

The varying factors (interest rates, closing costs, lending programs, etc.), which impact the mortgage amount, make it difficult to specify certain sales prices that are considered affordable to the various income groups. To simplify determining affordability for reporting purposes, the city uses a rule-of-thumb formula similar to that employed by many mortgage-lending institutions, which was reviewed and accepted by the SANDAG and the California Department of Housing and Community Development. The rule-of-thumb formula is as follows:

*Affordable sales price = 3.0 x maximum-allowed-annual income for each class, adjusted for bedroom count.*

Based on this formula Table 4 gives the qualifying purchase price for housing for the different income groups. The table illustrates that a three-bedroom house costing no more than \$279,450 would be the maximum affordable to a moderate-income family.

TABLE 4: CY 2016 QUALIFYING PURCHASE PRICE BY NUMBER OF BEDROOMS				
Income Group	Number of bedrooms			
	1	2	3	4
Very Low	\$102,000	\$127,500	\$147,900	\$168,300
Low	\$163,200	\$204,000	\$236,700	\$269,400
Moderate	\$194,100	\$242,550	\$281,400	\$320,250
Above Moderate	> \$194,100	> \$242,550	> \$281,400	> \$320,250

\*3X multiplier was developed by an ad hoc committee at SANDAG with subsequent approval by the SANDAG Board in 1993. (There is no formula in state law). The rule also assumes 2 persons per bedroom to provide a correspondence back to HUD affordability rules based upon persons per household (as opposed to bedrooms).

**Other terms – Definitions for terms used in this appendix as well as Part 1 of the report:**

- *Assistance Programs/Assisted Units* – units receiving financial assistance from the city or other and/or other subsidy sources and have affordability deed restrictions.
- *Deed Restricted Units* – units considered affordable due to local program or policy, such as inclusionary housing ordinance. These units may also be assisted units.
- *Non-deed Restricted Units/Market Rate Units* – Units that received no financial assistance from the city and have no affordability restrictions.
- *Unit Category* – SF (Single-family units), 2-4 (two to four unit structures), 5+ (five or more unit structures), SU (second-units), MH (mobile homes).

*Description of housing product types:*


- *Single-family detached* – A single home on a single lot, detached from any other unit, except for an attached second dwelling unit.
- *Condominium* – A detached or attached home on commonly owned property.
- *Apartment* – A unit that can only be rented and not owned.
- *Duplex* – Two units on a single lot. Units cannot be individually sold.
- *Second Dwelling Unit* – A completely independent dwelling unit on the same lot as a primary residence. A second dwelling unit may be attached to or detached from the primary residence.



All Receive - Agenda Item # 8  
For the Information of the:  
CITY COUNCIL  
ACM  CA  CC   
Date 5/9/17 City Manager

## Memorandum

May 9, 2017

**To:** Mayor and City Council Members  
**From:** Corey Funk, Associate Planner  
**Via:** Glen Van Peski, Community and Economic Development Director   
**Re:** **Additional Information Regarding Staff Report Item 8 – 2016 Housing Element Progress Report**

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Part 2 of the Annual Housing Element Progress Report is a chart detailing the implementation status on the various programs included in the Housing Element. Under the "Comments" column, amplified information was inadvertently left out of the version printed for the council agenda packet. The attached sheets contain the complete information on the following three programs:

Program 3.7 – Housing Trust Fund (page 19 of 28 in council agenda packet)

- Added information on 2016 Housing Trust Fund requests considered in 2016.

Program 3.13 – Housing for the Homeless (page 21 of 28 in council agenda packet)

- Inadvertently left blank, added information on various measures taken to benefit the homeless.

Program 4.1 – Fair Housing Services (page 25 of 28 in council agenda packet)

- Added information on the services provided by CSA San Diego County.

The final report submitted to the State of California and SANDAG will contain this additional information.

C: City Manager  
City Attorney  
City Clerk Services Manager

Table 2.1 GY 2016 Housing Element Program Implementation Status

HE Program	Program #	Description	Status	Div	Comments
Housing Trust Fund	3.7	<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>	O	HNS, F	<p>The city continues to maintain the Housing Trust Fund, which had an available balance of approximately \$14 million as of December 31, 2016.</p> <p>In 2016, 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 construction loan of \$1,280,000 for the Quarry Creek Master Plan/Chelsea (GPA 11-09) – 64 low and very low income apartments</li> <li>• The Housing Commission recommended approval (approved by the Planning Commission on Jan. 18, 2017) for a construction 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> <li>• The city contributed \$25,000 towards the regional effort by Alliance for Regional Solutions to provide year round bridge housing/shelter services (see Program 3.13).</li> </ul>

Table 2H CY 2016 Housing Element Program Implementation Status

HE Program	Program #	Description	Status	Div	Comments
Housing for the Homeless	3.13	<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>	O	HNS	<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 2016 the city reviewed Oak Veteran's Housing and Harding Veteran's Housing (SDP 16-12 and SDP 16-13), and in early 2017 the Planning Commission approved these projects. 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>• The city continues to participate financially in regional programs, such as its annual participation in the Alliance for Regional Solutions North County Regional Winter Shelter Program. The Alliance for Regional Solutions was formed in 2007 to develop a winter shelter program for Northern San Diego County that would be a coordinated effort between local governments and social service providers to address homeless needs of individuals and families during the winter months. This program has been providing shelter and case management services at various sites in Carlsbad (La Posada de Guadalupe), Oceanside, Vista and Escondido for the past nine years. Over this past year, three Alliance for Regional Solutions shelters made the pivotal decision to increase their capacity to serve the homeless and now provide year round bridge housing/shelter services. Via the Housing</li> </ul>

Table 2.1 CY 2016 Housing Element Program Implementation Status

HE Program	Program #	Description	Status	Div	Comments
					<p>Trust Fund, the city contributed \$25,000 towards the regional effort which represents approximately 2 percent of the total budget.</p> <p>The shift from temporary shelters to bridge housing represents significant progress for northern San Diego County in addressing the needs of the homeless populations. Currently three shelters are moving to a year round offering. Bridge housing provides temporary housing until permanent housing is available.</p> <p>The Regional Bridge Housing System will fund activities such as, but not limited to:</p> <ul style="list-style-type: none"> <li>• Direct program services</li> <li>• Operational costs</li> <li>• Onsite case managers</li> <li>• Night security staff</li> <li>• Medical assessment staff</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>



# *2016 Housing Element Progress Report*

Corey Funk  
May 9, 2017



# *Report requirement*

- State law
- Housing Element Program 3.18
- Maintain eligibility for certain grants

# *Report Sections*

- Part 1 – Housing production status
  - Housing permits issued during 2016
  - Progress meeting RHNA
- Part 2 – Program implementation status
  - Covers Housing Element adopted with General Plan in Sept. 2015

# Part 1 – Housing Production Status

Income Level	Dwelling Units (2016)	RHNA
Very Low	7	912
Low	163	693
Moderate	74	1,062
Above Moderate	439	2,332
Total	683	4,999

# *Part 2 – Program Implementation Status*

- Examples for 2016:
  - Flexibility in Development Standards
    - Four projects with modified standards
  - Section 8 Housing Choice Vouchers
    - 600 households assisted

# *Next Steps*

- Staff will provide this report to the following:
  - California Office of Planning and Research
  - California Dept. of Housing and Community Development
  - SANDAG
  - Planning Commission

# *Recommendation*

That the City Council approve a Resolution accepting the Annual Housing Element Progress Report for January 2016 through December 2016