COUNTY OF SAN DIEGO

Options to Address Housing Affordability in the Unincorporated Area

BOARD OF SUPERVISORS DIRECTION

On March 28, 2018

- Investigate ways to retain General Plan housing capacity and “to investigate the means and mode of establishing a Density Transfer Credit program, a Transfer of Development Rights, or an equivalent program in the County of San Diego”.

On April 18, 2018

- “Investigate options that would further promote the expedient building of homes in the unincorporated region and the closing of the housing gap through incentive programs and/or reductions in regulations in San Diego County.”
California’s Affordable Housing Problem (Beacon)

Addressing the Housing Affordability Crisis in San Diego and Beyond

California’s High Housing Costs: Causes & Consequences (LAO)

A Toolkit to Close California’s Housing Gap (McKinsey)

Missing Millions of Home (New Democrat Coalition)

High Costs are Driving out Californians (U-T)

Another Record: San Diego Home Prices hits $579K (U-T)

REGIONAL HOUSING NEEDS ALLOCATION

Housing Goal
Units Permitted

2013 2014 2015 2016 2017 2018

2013

2014

2015

2016

2016

2017

2018

Very Low
Low
Moderate
Above Moderate
Total

2,085
1,585
5,864
904
3,777
5,026

22,412

* RHNA Progress as of 7/31/2018

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February 14, 2019
SAN DIEGO COUNTY MONTHLY HOUSEHOLD BUDGET

Single Person Household
Monthly Total: $2,658

- Housing $1,212 (43%)
- Taxes $419.00 (16%)
- Misc. $361 (13%)
- Transportation $273 (10%)
- Health Care $125 (4%)
- Food $268 (9%)
- Utilities $174 (6%)
- Miscellaneous $361 (13%)

Taxes $419.00 (16%)

SAN DIEGO COUNTY MONTHLY HOUSEHOLD BUDGET

Source: CA Budget & Policy Center

MEDIAN PRICE OF A HOME (2017)

Source: County Assessor Office, 2017

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$323,698
HOUSEHOLD WITH AMI OF $81,800 CAN ONLY AFFORD?

$50,000 Down Payment
$0 Monthly Debt
35% Debt/Income Ratio
6.5% 30 Year Fixed
$200 Monthly HOA

Source: Zillow Affordability Calculator
230,000 existing and future homes
About 20% or 700,000 residents
Reduced housing capacity by 15%
Shifted 20% future growth
80% within County Water Authority
## Affordable Housing - State Income Limits

2018 – AMI $81,800

<table>
<thead>
<tr>
<th>Income Category</th>
<th>AMI Percent</th>
<th>Income</th>
<th>Sale Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely Low</td>
<td>0 to 30%</td>
<td>$29,200</td>
<td>$70,000</td>
</tr>
<tr>
<td>Very Low</td>
<td>30% to 50%</td>
<td>$48,650</td>
<td>$130,000</td>
</tr>
<tr>
<td>Low</td>
<td>50% to 80%</td>
<td>$77,850</td>
<td>$225,600</td>
</tr>
<tr>
<td>Moderate</td>
<td>80% to 120%</td>
<td>$98,150</td>
<td>$289,600</td>
</tr>
<tr>
<td>Above Moderate*</td>
<td>Above 120%</td>
<td>$106,340</td>
<td>$315,900</td>
</tr>
<tr>
<td>Middle Income Housing*</td>
<td>150%</td>
<td>$122,700</td>
<td>$370,100</td>
</tr>
</tbody>
</table>

*Not Income Limit Category

2017 Median Household Cost: $585,000

---

## Regional Housing Needs Assessment

<table>
<thead>
<tr>
<th>Income Category</th>
<th>AMI Percent</th>
<th>RHNA Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely Low</td>
<td>0 to 30%</td>
<td>1,042 Units</td>
</tr>
<tr>
<td>Very Low</td>
<td>31% to 50%</td>
<td>1,043 Units</td>
</tr>
<tr>
<td>Low</td>
<td>51% to 80%</td>
<td>1,585 Units</td>
</tr>
<tr>
<td>Moderate</td>
<td>80% to 120%</td>
<td>5,864 Units</td>
</tr>
<tr>
<td>Above Moderate*</td>
<td>Above 120%</td>
<td>12,878 Units</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>22,412 Units</strong></td>
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</table>
COUNTY OF SAN DIEGO HOUSING ELEMENT

<table>
<thead>
<tr>
<th>Income Category</th>
<th>Densities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Low</td>
<td>24 to 30 Dwelling Units/Acre</td>
</tr>
<tr>
<td>Low</td>
<td>20 to 30 Dwelling Units/Acre</td>
</tr>
<tr>
<td>Moderate</td>
<td>10.9 to 15 Dwelling Units/Acre</td>
</tr>
<tr>
<td>Above Moderate</td>
<td>Less than 7.3 Dwelling Units/Acre</td>
</tr>
</tbody>
</table>

HOUSING PRODUCTION BY INCOME LEVEL (2010 – 2020)

* RHNA Progress as of 7/31/2018

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Individual Properties

- Enabling Property Owners to Develop Vacant Lots

**Actions:**
- Residential Rounding (LDC-2)
- Permit and Impact Fees (PI-4)
- Grading Ordinance Update (LDC-1)
- Permit Procedures (RR-3)

---

Individual Properties

- Enabling Property Owners to Develop Vacant Lots
- Encourage Existing Homeowners to Build Units

**Actions:**
- Encourage Construction of Accessory Dwelling Units (PI-3)
**INCREASING HOUSING PRODUCTION: ACTION IMPLEMENTATION**

**Individual Properties**
- Enabling Property Owners to Develop Vacant Lots
- Encourage Existing Homeowners to Build Units

**Tract/Planned Development**
- Support Maximum Lot Development Potential

**Actions:**
- RPO / BMO Update (RR-2)
- Site Implementation Agreement (RR-1)
- Community Engagement (PS-2)
- Permit Procedures (RR-3)
- Grading Ordinance (LDC-1)

**INCREASING HOUSING PRODUCTION: ACTION IMPLEMENTATION**

**Individual Properties**
- Enabling Property Owners to Develop Vacant Lots
- Encourage Existing Homeowners to Build Units

**Tract/Planned Development**
- Support Maximum Lot Development Potential
- Achieve Village Densities

**Actions:**
- Affordable/Inclusionary Housing Options (PI-2)
- Density Bonus (PI-1)
- Allow and Encourage Varied Housing Types (LDC-4)
- Group Quarters Ordinance (RR-4)
- Land Development Code (LDC-3)
- Permit Process (RR-3)
- Community Engagement (PS-2)
Individual Properties
- Enabling Property Owners to Develop Vacant Lots
- Encourage Existing Homeowners to Build Units

Tract/Planned Development
- Support Maximum Lot Development Potential
- Achieve Village Densities
- Retain General Plan Capacities

Actions:
- Explore Transfer of Development Rights (GP-3)
- Community Plan Updates (GP-4)
- Land Development Code (LDC-3)
- Allow and Encourage varied housing types (LDC-4)
- Community Engagement (PS-2)
- Residential Rounding (LDC-2)
### ACTIONS TO IMPROVE HOUSING AFFORDABILITY

#### Actions Previously Directed and Underway

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>PS-1</td>
<td>Business Process Reengineering</td>
<td>Ongoing</td>
</tr>
<tr>
<td>PS-2</td>
<td>Community Engagement</td>
<td>Short Term (&lt;1 Year)</td>
</tr>
<tr>
<td>PS-3</td>
<td>Project Management Improvements</td>
<td>Short Term (&lt;1 Year)</td>
</tr>
<tr>
<td>RR-1</td>
<td>Site Implementation Agreements</td>
<td>Short Term (&lt;1 Year)</td>
</tr>
<tr>
<td>RR-2</td>
<td>RPO &amp; BMO</td>
<td>Medium Term (1-2 Years)</td>
</tr>
<tr>
<td>RR-3</td>
<td>Permit Procedures</td>
<td>Medium Term (1-2 Years)</td>
</tr>
<tr>
<td>RR-4</td>
<td>Group Quarters Ordinance</td>
<td>Short Term (&lt;1 Year)</td>
</tr>
<tr>
<td>GP-1</td>
<td>Regional Military Coordination</td>
<td>Ongoing</td>
</tr>
<tr>
<td>GP-2</td>
<td>Development and General Plan Tracking</td>
<td>Ongoing</td>
</tr>
<tr>
<td>GP-4</td>
<td>Community Plan Updates</td>
<td>Long Term (&gt;2 Years)</td>
</tr>
<tr>
<td>LDC-1</td>
<td>Grading Ordinance</td>
<td>Medium Term (1-2 Years)</td>
</tr>
<tr>
<td>LDC-2</td>
<td>Residential Rounding</td>
<td>Short Term (&lt;1 Year)</td>
</tr>
<tr>
<td>LDC-3</td>
<td>Land Development Code</td>
<td>Long Term (&gt;2 Years)</td>
</tr>
</tbody>
</table>

#### Actions Requiring Board Direction

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>PI-1</td>
<td>Density Bonus Program</td>
<td>Short Term (&lt;1 Year) &amp; Medium Term (1-2 Years)</td>
</tr>
<tr>
<td>PI-2</td>
<td>Affordable and Inclusionary Housing Programs and Ordinances</td>
<td>Medium Term (1-2 Years)</td>
</tr>
<tr>
<td>PI-3</td>
<td>Accessory Dwelling Units</td>
<td>Short Term (&lt;1 Year) &amp; Medium Term (1-2 Years)</td>
</tr>
<tr>
<td>PI-4</td>
<td>Development Impact Fees</td>
<td>Short Term (&lt;1 Year)</td>
</tr>
<tr>
<td>GP-3</td>
<td>Explore and Retain General Plan Capacity and Transfer of Development Rights</td>
<td>Medium Term (1-2 Years) &amp; Long Term (&gt;2 Years)</td>
</tr>
<tr>
<td>LDC-4</td>
<td>Allow and Encourage Varied Housing Types</td>
<td>Medium Term (1-2 Years)</td>
</tr>
</tbody>
</table>
### DENSITY BONUS SUMMARY

<table>
<thead>
<tr>
<th>Income Category of Reserved Units (AMI)</th>
<th>Minimum % of Reserved Units</th>
<th>Bonus Allowed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Minimum Bonus</td>
<td>Additional Bonus for each 1% Increase</td>
</tr>
<tr>
<td>Very Low Income ($&lt;48,650) (Ownership &amp; Rental)</td>
<td>5%</td>
<td>20%</td>
</tr>
<tr>
<td>Low Income ($77,850) (Ownership &amp; Rental)</td>
<td>10%</td>
<td>20%</td>
</tr>
<tr>
<td>Moderate Income ($98,150) (Ownership Only)</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>Senior Housing Development (Rental Only)</td>
<td>100%</td>
<td>20%</td>
</tr>
<tr>
<td>Land Donation for Very Low Income</td>
<td>10% of Market-Rate Units</td>
<td>15%</td>
</tr>
</tbody>
</table>

### INCENTIVES SUMMARY

<table>
<thead>
<tr>
<th>Income Category of Reserved Units</th>
<th>% of Reserved Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Low Income ($&lt;48,650) (Ownership &amp; Rental)</td>
<td>5% 10% 15%</td>
</tr>
<tr>
<td>Low Income ($77,850) (Ownership &amp; Rental)</td>
<td>10% 20% 30%</td>
</tr>
<tr>
<td>Moderate Income ($98,150) (Ownership Only)</td>
<td>10% 20% 30%</td>
</tr>
<tr>
<td>Senior Housing Development (Rental Only)</td>
<td>-- -- 100%</td>
</tr>
<tr>
<td>Maximum # of Incentives</td>
<td>1 2 3</td>
</tr>
</tbody>
</table>

1. **Maximize Incentives & Concessions**
   - Implements State Law to the fullest extent
   - Increases opportunities for provision of affordable units
   - Short Term (<1 Year)
   - No additional costs
   - Funding Needs: Provide direction to develop program and return to the Board for consideration
   - Board Direction Requested: One or Both can be developed

2. **Middle Income Density Bonus Program**
   - Extends benefits of State Law to a broader income spectrum
   - Increases opportunities for provision of affordable units
   - Medium Term (1-2 Years)
   - Funding Needs: OTO $330,000
   - Board Direction Requested: Provide direction to develop program and return to the Board for consideration
   - One or Both can be developed
General Plan Policy H-1.9
Affordable Housing through General Plan Amendments

1 GPA Affordable Housing Program
   - Deed-restricted units not required
   - Flexible list of compliance options
   - Medium Term (1-2 Years)

   Funding Needs: OTO $240,000
   Board Direction Requested: Provide direction to prepare an economic analysis and criteria, and return to the Board for consideration

2 GPA Inclusionary Housing Ordinance
   - Minimum percentage of deed-restricted units or commensurate alternatives
   - Formal inclusionary housing program
   - Medium Term (1-2 Years)

   OTO $240,000
   Provide direction to prepare an economic analysis and criteria, and return to the Board for consideration
AFFORDABLE & INCLUSIONARY HOUSING (PI-2)

3 Large Project Inclusionary Housing
- Expand to all large projects
- This option could be an expansion of either Option 1 or 2
- Medium Term (1-2 Years)

Funding Needs:
OTO Funding $300,000
Staff does not recommend this option

4 Comprehensive Inclusionary Housing Ordinance
- Expand to residential projects of all sizes (above minimum threshold)
- Commensurate alternatives to satisfy the requirements
- Medium Term (1-2 Years)

OTO Funding $340,000
Staff does not recommend this option

AFFORDABLE & INCLUSIONARY HOUSING (PI-2)

1 GPA Affordable Housing Program

2 GPA Inclusionary Housing Ordinance

3 Large Project Inclusionary Housing

4 Comprehensive Inclusionary Housing Ordinance

One of these can be developed
ACCESSORY DWELLING UNITS (PI-3)

**Single-Family Home**
An existing primary home must be located on the lot.

**Detached ADU**
A detached ADU can be added as a separate unit on the rear of the lot, some setback and height requirements apply.

**Attached ADU**
An addition can be built onto the house (in the back, or as a second story) to create an ADU.

**Garage Conversion**
A garage can be converted to an ADU or a living unit can be added on top of a garage; parking is required for ADUs.

**Junior ADU**
An individual living space can be constructed or converted within the existing home to create an ADU.

---

**Pre-Approved Plans**
- Fast-track building of units for a smaller up-front cost
- Short Term (<1 Year)

**Waive Impact & Permit Fees**
- Reduce cost to enable more property owners to add ADUs
- Medium Term (1-2 Years)

**Junior ADUs**
- Internal home option with low construction costs
- Short Term (<1 Year)

**Funding Needs:**
- OTO Funding $150,000
- Provide direction to prepare plans and implement program

**Board Direction Requested:**
- OTO $0
- Provide direction to prepare an ordinance and return to the Board for consideration

---

**Subsidized ADUs**
- Reduce cost to enable more property owners to add ADUs
- Medium Term (1-2 Years)

**Funding Needs:**
- $2.2 Million in one-time costs
- Over 5 year trial period
- Provide direction to develop program and return to the Board for consideration

---

**Item No. 6**
Regional Planning Technical Working Group
February 14, 2019
**ACCESSORY DWELLING UNITS (PI-3)**

**4 Subsidized ADUs**
- Bridge funding to homeowners
- Commitment to renting ADU at an affordable rate
- Timeframe TBD

**Funding Needs:**

**Board Direction Requested:**
- Provide direction to monitor implementation in other jurisdictions and report back to the Board in one year

---

**RETAI N GENERAL PLAN CAPACITY & TRANSFER OF DEVELOPMENT RIGHTS (GP-3)**

**1 Excess Unit Bank**
- Track unrealized density
- Allocate density on case-by-case basis
- Medium Term (1-2 Yrs.)

**Funding Needs:**
- OTO Funding $300,000

**Board Direction Requested:**
- Receive the report, consider options and provide direction to staff to develop a program

**2 Limited Scope TDR Program**
- County Managed
- Defined criteria for sending and receiving sites
- Medium Term (1-2 Yrs.)

**Funding Needs:**
- OTO Funding $490,000

**Board Direction Requested:**
- Receive the report, consider options and provide direction to staff to develop a program

**3 Transaction Based TDR Program**
- Market Driven
- Mapped sending and receiving sites
- Medium Term (1-2 Yrs.)

**Funding Needs:**
- OTO Funding $800,000

**Board Direction Requested:**
- Receive the report, consider options and provide direction to staff to develop a program

**4 Consider Impact of General Plan Initiative**
- Report back in 180 days after election with options
- Long Term (>2 Years)

**Funding Needs:**
- No additional costs

**Board Direction Requested:**
- Receive the report, consider options and provide direction to staff to develop a program
5 Require Minimum Densities

- Require development intensity of at least 80% of maximum
- Medium Term (1-2 Years)

Funding Needs:
No additional costs

Board Direction Requested:
Staff does not recommend this option

ALLOW AND ENCOURAGE VARIED HOUSING TYPES (LDC-4)

Source: Opticos

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ALLOW AND ENCOURAGE VARIED HOUSING TYPES (LDC-4)

1 Varied Housing Types

- Provide variety in range of housing types
- Reducing regulatory barriers
- Medium Term (1-2 Years)

Funding Needs:
OTO Funding $260,000

Board Direction Requested:
Provide direction to develop program and return to the Board for consideration

COUNTY OF SAN DIEGO

Options to Address Housing Affordability in the Unincorporated Area
2018 Commute Behavior Survey

Regional Planning Technical Working Group (TWG)
February 14, 2019

Survey Background

• Stated preference survey conducted every four years
• 2018 Commute Behavior Survey expanded to include:
  • Shared mobility
  • Technology
  • Park and Rides
• Survey purpose:
  • TDM programming, planning, and transportation modeling
Methodology

- 4,337 commuters who reside in San Diego County or Western Riverside County
- Mixed-Method approach
  - Recruited via phone and email
  - Data collection via phone and online
  - English & Spanish
- Overall margin of error is ± 1.6%
Telework

Commute outside home 88%
Work from home 12%

Primary Commute Mode

Drive alone 84.4%
Public Transit 5.8%
Carpool 4.6%
Bike 1.6%
Motorcycle 1.0%
On-Demand Rideshare* 0.7%
Walk 0.6%
Other Mode 0.6%
Vanpool 0.5%
Prefer not to answer 0.1%

*About half of respondents indicated that they use a pooled service like UberPOOL or Lyft’s Shared service
Reason for Choosing Commute Mode

**Drive Alone**
- Convenience
- Time/Work
- Schedule
- Fastest Option

**All Other Modes**
- Cost/Cheaper
- Convenience
- Avoid Traffic

Interest in Alternative Transportation

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February 14, 2019
Ranked Interest in Alternative Transportation Modes

- Public Transit: 31%
- On-Demand Rideshare: 29%
- Carpool/Vanpool: 21%
- Bike/Walk: 11%
- Prefer not to answer: 7%

% of Commuters that Drive Alone

Willingness to Consider Alternative Transportation

- Public Transit: 22%
- On-Demand Rideshare: 9%
- Carpool/Vanpool: 12%
- Bike/Walk: 8%
- Prefer not to answer: 7%

% of Commuters that Drive Alone
Transit

- Factors that influence decision to use transit:
  - Competitive travel time
  - Frequent transit service
  - Convenient way to and from transit

Vanpool/Carpool

- Factors that influence decision to vanpool or carpool:
  - Guaranteed ride home
  - Reduced costs for use
  - Competitive travel time
  - Ridematching assistance
**Bike/Walk**

- Factors that influence decision to bike or walk:
  - Monetary incentives
  - Dedicated and improved infrastructure
  - Guaranteed ride home

**On-Demand Rideshare**

- Factors that influence decision to use an on-demand rideshare service:
  - Reduced costs for use
  - Competitive travel time
  - Guaranteed ride home
Transportation Information

Smart Phone Use

<table>
<thead>
<tr>
<th>Age</th>
<th>% Respondents That Commute Outside Home</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Diego County Region</td>
<td>98%</td>
</tr>
<tr>
<td>16 to 24</td>
<td>97%</td>
</tr>
<tr>
<td>25 to 34</td>
<td>100%</td>
</tr>
<tr>
<td>35 to 44</td>
<td>100%</td>
</tr>
<tr>
<td>45 to 54</td>
<td>98%</td>
</tr>
<tr>
<td>55 to 64</td>
<td>95%</td>
</tr>
<tr>
<td>65 and older</td>
<td>92%</td>
</tr>
</tbody>
</table>
Popular Transportation Uses of Smart Phone

- Get driving directions: 97.0%
- Check traffic conditions: 89.7%
- Request a ride from an on-demand rideshare service: 71.3%
- Check transit schedules or options: 51.1%
- Request motorist aid assistance: 43.7%
- Purchase a transit pass or pay fare: 27.3%

Interest in Mobility as a Service (Maas)

- Very Interested: 42%
- Somewhat interested: 45%
- Not interested: 13%
- Prefer not to answer: <1%
Key Takeaways

• Convenience and a competitive travel times are main factors in commute choices
• Improve reliability and speed of service to help make alternative travel options more attractive
• Continue to explore partnerships with technology partners
• Explore opportunities for mobility hub pilots