

Table 5-1 Housing Units Built 2010-2011			
<i>Housing Type</i>	<i>Units Built Since 2010</i>	<i>Affordability Level</i>	<i>Explanation</i>
		Above Moderate: 533	

Table 5-2 Affordable Housing Units Built 2010-2011					
<i>Project</i>	<i>Date of Completion</i>	<i>Tenure</i>	<i>Total Units</i>	<i>Affordable Units</i>	
				<i>Very Low</i>	<i>Low</i>
Apartments					
<i>Silversage Apartments</i>	<i>2010</i>	<i>Rental</i>	<i>80</i>	<i>7</i>	<i>72</i>
<i>Springbrook Apartments</i>	<i>2010</i>	<i>Rental</i>	<i>44</i>	<i>43</i>	<i>1</i>
<i>Total</i>			<i>80</i>	<i>50</i>	<i>73</i>

Remaining RHNA

Table 5-3 summarizes the County’s progress as of December 2011 toward meeting its RHNA for the current cycle.

Table 5-3 Credits toward RHNA					
	<i>Very Low Income</i>	<i>Low Income</i>	<i>Moderate Income</i>	<i>Above Moderate Income</i>	<i>Total</i>
RHNA	2,085	1,585	5,864	12,878	22,412
Less Units with Building Permits	53	114	138	533	838
Remaining RHNA	2,032	1,471	5,726	12,345	21,574

Methodology

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

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

- Large areas are occupied by entities outside the land use control of the County. These include Camp Pendleton Military Base, Anza Borrego Desert State Park, Cleveland National Forest, and eighteen Tribal reservations.
- Approximately 80 percent of the land is groundwater dependent and cannot sustain urban or suburban development patterns. The County's rural, groundwater-dependent communities are home to many lower-income families.
- Less than ten percent of the land within the unincorporated County is currently served by sewer, which is required to achieve densities above one or two dwelling units per acre.
- The amount of land over which the unincorporated County exercises land use authority, particularly land appropriate for high density development, often decreases through annexations.
- Most land is considered an extreme fire threat area by the California Department of Forestry (CDF), and fire service is limited. Some areas lack structural fire protection, and most fire departments lack equipment that services structures over two stories.
- Much land contains sensitive environmental habitats, and environmental constraints often determine development capacity and patterns.
- The region's employment centers are located within incorporated cities, and most residents commute to coastal job centers.
- Market factors discourage residential development that exceeds 20 to 25 dwelling units per acre. Densities above that level typically require structured parking and more expensive building construction methods.
- Funding for transit facilities and improvements is directed toward incorporated jurisdictions, providing little opportunity for these public services in the unincorporated County.

Lower and Moderate Income Opportunities

The unincorporated County covers 3,572 square miles and contains 24 separate communities or sub-regions. Therefore, it is appropriate to utilize different housing options within this large region to provide housing affordable for lower-income households. The 2011 General Plan Update considered community character, access to jobs and transportation, availability of infrastructure and services, and presence of environmental constraints when identifying communities with residential development potential. Based on these factors, the County set forth the following strategy for facilitating lower-income housing within the unincorporated area:

1. Use of vacant or underutilized residential lands:
 - Provide an adequate supply of land that permits the development of multi-family units with residential densities of 20 or more units per acre within the General Plan. This includes land with a new mixed-use land

designation that permits residential units to be developed with residential densities of up to 30 units per acre.

- Estimate development potential on vacant and underutilized parcels based on the average development yield of 80 percent of the maximum permitted density. The difference between gross acreage and the net acreage used to calculate available yield averages about 20 percent in the more urbanized areas of the County where infrastructure is already in place. These urbanized areas are located in the Village regional category and are the appropriate location for dense multi-family developments. This yield percentage is also consistent with requirements of Government Code Section 65863(h)(2).
 - Ensure that policies and programs encourage 80 percent yield on properties designated for densities of 15 to 30 units per acre.
 - Ensure that, when possible, policies and programs remove development constraints that impede the achievement of 80 percent yield.
 - Exclude parcels with environmental constraints as appropriate for lower-income housing opportunities. Most of the lands planned for densities of at least 20 units per acre were reviewed during the General Plan Update process and determined to be environmentally appropriate for high density development. However, if parcel-level analysis, using either visual observations or GIS data, revealed environmental constraints, the lands were not counted as opportunities for lower-income housing.
 - Exclude the yield on small parcels of less than one-quarter acre unless the parcel is adjacent to other vacant parcels or part of a larger area with common ownership.
 - Increase the density to 30 units per acre on a large area of vacant and underutilized land surrounding a planned transit station in the North County Metro sub-region.
2. Implementation of a new senior density bonus program that permits increased densities beyond State law.
 3. Consistency between General Plan, zoning, and development intensity:
 - General Plan designations in the 15 to 30 units per acre range must be implemented with appropriate zoning.
 - Development should occur at or above 80 percent of the maximum density on residential sites designated at 15 to 30 units per acre.
 4. Modification of the Zoning Ordinance to provide more flexible development standards (a wider range of unit types) on land with environmental constraints or where small parks are desired. Alternatively, potential density lost because of environmental constraints and parks/common areas could be transferred to the developable areas.

5. Specialized zoning to facilitate the development of different types of high-density housing. Promotion of reduced Transportation Impact Fees in Villages and Village Cores.

In assessing lands appropriate for affordable housing development, the County identified criteria based on the land's density designation, location (suburban, semi-rural, or rural) and its regional category. The regional category called Village and specialized areas called Transit Nodes encompass areas considered suburban and contain lands considered appropriate for multi-family development (10.9+ units per acre). In addition to vacant lands, underutilized sites in these areas were considered if they met at least two of the three criteria summarized in Table 5-4.

Table 5-4 Criteria for Underutilized Sites	
1	The value of the improvements was less than the land value.
2	The existing structure was more than 30 years old.
3	The potential yield is at least three times greater than the existing number of units.

In all regional categories, opportunities for lower-income housing were also made available. Programs include the facilitation of affordable housing such as second units, farmworker housing, mobile homes, and density bonuses.

Correlation between Density and Affordability

In 2012, the County of San Diego commissioned Keyser Marston Associates, Inc. (KMA) to conduct an assessment of affordable housing development in the unincorporated area. The major components of the KMA study include:

- Identification of recently completed affordable residential developments in the unincorporated area of the County and adjacent cities.
- Assessment of the relationship of specific density ranges and the project type likely to be developed in the County's unincorporated areas, including preparation of illustrative financial pro formas for three multi-family prototypes.
- Estimation of the maximum rent and sales prices affordable to extremely low, very low, low and moderate income households, based on 2012 household income statistics distributed by HCD.
- Research of current development trends occurring in the unincorporated areas of the County.

Key findings of the report are:

- Due to the lack of vacant sites at 30 dwelling units per acre, limited infrastructure serving the unincorporated areas of the County, and the high cost associated with higher density developments, it has been demonstrated that affordable

housing for low income households can be accommodated on land designated between 20 and 23 dwelling units per acre, and affordable housing for very low income households can be accommodated on land designated between 24 and 29 units per acre.

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

The KMA study surveyed affordable housing developments in the unincorporated area and selected incorporated communities located in proximity to the unincorporated County. The study identified a total of eight affordable housing developments for family households built since 2009 or under construction, comprising a total of 517 units. Of the eight affordable housing developments surveyed, two developments were in the unincorporated area and six were in the incorporated cities.

Overall, two developments were built at densities between 15.0 and 19.9 units per acre, five developments at densities between 20.0 and 29.0 units per acre, and one development at a density exceeding 29.0 units per acre. The median density for affordable and mixed-income housing surveyed is 23.4 units per acre. Specifically, median density of affordable housing developments in the unincorporated area is 22.8 units per acre and median density for affordable developments in the incorporated communities is 23.6 units per acre.

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

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

Table 5-5 summarizes the gap financing required to subsidize different types of development as housing affordable to lower-income households, using land cost assumptions of 5 dollars per square foot. The KMA study concludes that, to provide housing affordable to lower-income households, subsidies are required for most types of development; however, the levels of subsidies required vary significantly.

<i>Development Scenario</i>	<i>Low-Income (80% AMI)</i>		<i>Very Low-Income (50% AMI)</i>	
	<i>With Land Cost</i>	<i>Without Land Cost</i>	<i>With Land Cost</i>	<i>Without Land Cost</i>
Land Cost at \$5 per square foot				
Townhomes (20 du/acre)	(\$11,000)	(\$1,000)	(\$114,000)	(\$103,000)
Garden Style Apartments (24 du/acre)	\$4,000	\$13,000	(\$92,000)	(\$82,000)
Stacked-Flat Apartments (30 du/acre)	(\$24,000)	(\$17,000)	(\$118,000)	(\$111,000)

SOURCE: Keyser Marston Associates, December 2012.

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

Housing Element Sites Inventory

Based on the financial feasibility as presented in the KMA study, and environmental and infrastructure constraints presented earlier, the County's strategy to accommodate its remaining RHNA is presented below.

The Sites Inventory is provided in Appendix H1. The inventory distinguishes between sites retained from the previous inventory of 2011 and additional sites identified for this cycle. New sites are identified in Italics.

The inventory list for each community is followed by a map that identifies the density of the selected sites. Vacant properties are shown with a solid line and underutilized properties with a broken line. In addition, maps showing aerial views, environmental constraints, and sensitive habitat are also included for each site.

Data Source

The County has sufficient capacity in the recently adopted General Plan Update to accommodate over 64,000 future dwelling units so its RHNA requirement for above moderate income housing is satisfied. Therefore, the Sites Inventory presented in this Housing Element focuses on the identification of sites that provide the opportunity for the development of housing for lower- and moderate-income households.

In compiling an inventory of vacant and underutilized sites, the County used GIS to identify parcels with General Plan residential designations of 10.9 to 30 units per acre.

Identified sites were then evaluated using aerial photographs, parcel-specific data, and the criteria developed by the County for meeting its RHNA allocation as previously discussed in the Methodology section. Parcel-specific information and maps are provided in Appendix H1 for properties included in the inventory.

Development potential on vacant and underutilized parcels was estimated based on average development densities at 80 percent of the maximum permitted densities. The difference between gross acreage and the net acreage available for development averages about 20 percent in the more urbanized areas of the County where infrastructure has already been provided. These suburban areas are located in the Village category and are the appropriate location for dense multi-family developments. Based on this information, the County used 80 percent of the maximum yield as the estimated yield for nearly every parcel included in the Sites Inventory. In addition, County policies promote the efficient use of multi-family residential land and encourage all development on lands designated for multi-family densities to achieve an intensity that is at least 80 percent of the maximum permitted density.

Availability of Infrastructure and Services

Much of the vacant land in the unincorporated area will involve “green field” development, whereby infrastructure and services must be extended or installed to serve the new development. The provision of these services is typically passed on to the buyer in the form of higher housing costs. Therefore, to address the County’s lower-income housing needs, the County focuses on opportunities associated with high-density development that are only available in urbanized centers where infrastructure and services are in place, but improvements may be necessary to serve the intensified development. Because the sites selected for inclusion in the Sites Inventory are located in urbanized centers, they are generally free of major environmental constraints such as habitat conservation and safety hazards such as flooding.

Vacant Residential Sites

Lower-Income: Vacant residential properties designated at densities of 20 to 30 dwelling units per acre are concentrated in nine CPAs. These sites provide the best opportunity for lower-income development potential. The sites are located within the San Diego County Water Authority (CWA) boundary with the exception of Borrego Springs. Borrego Springs is an agricultural and resort community with a labor force made up of farmworkers and service workers. Members of the community have expressed a need for housing that is affordable to these workers. Although the community is not located within the CWA, the single parcel identified in the Sites Inventory is within the Borrego Water District.

Moderate-Income: Many of the communities located within the CWA boundary have vacant sites designated for multi-family units with densities ranging from 10.9 to 15 dwelling units per acre. These sites would support duplex and triplex development on smaller parcels and garden style apartments and condominium development on larger parcels. Attached housing offers opportunities for affordable homes. In addition, the KMA study also found that manufactured homes on parcels zoned for single family

dwellings also provide opportunities for affordable housing to moderate income households in unincorporated communities outside the CWA boundary.

Table 5-6 summarizes the vacant and underutilized sites included in the Sites Inventory.

Table 5-6 Residential Potential under the General Plan														
Income Category	Units/Acre	Land Use	Unincorporated Communities										Total Units	
			Alpine	Bonsall	County Islands	Desert (Borrego Springs)	Fallbrook	Lakeside	North County Metro	Ramona	Spring Valley	Valley Center		
Very Low-Income	30	Residential: Vacant					18	17	281					316
		Residential: Underutilized							1,219					1,219
		Mixed Use					69							69
		Subtotal					87	17	1,500					1,604
	24+	Residential: Vacant				476	133	82	58	144	9			902
		Residential: Underutilized			198		44		144					386
		Mixed Use	30				112		45					187
		Subtotal	30		198	476	289	82	247	144	9			1,475
Low-Income	20	Residential: Vacant	227				67		215	142	8		659	
		Residential: Underutilized			816		121		66			63	1,066	
		Specific Plan										26	26	
		Subtotal	227		816		188		281	142	8	89	1,759	
Moderate-Income	10.9-15	Residential: Vacant	468	180			71	682	95	124	112	377	2,109	
		Residential: Underutilized	77				23	338	35		23		496	
		Specific Plan									87	26	113	
		Mixed Use								80		413	493	
		Subtotal	545	180			94	1020	130	204	222	816	3,211	
Totals by Community			802	180	1,014	476	658	1,020	2,158	490	239	905	8,041	

3079

483^a

8040

SOURCE: County of San Diego Planning & Development Services, June 2012.

Residential capacity is estimated at 80 percent of the maximum densities permitted. The County has established Policy H-1.2 in the Housing Element to encourage development of multi-family land at 80 percent or more of the maximum densities permitted.