

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

1800 Third Street, Suite 430
P. O. Box 952053
Sacramento, CA 94252-2053
(916) 323-3177
FAX (916) 327-2643



August 4, 2008

Mr. Don Neu, Director
Planning Department
City of Carlsbad
1635 Faraday Avenue
Carlsbad, CA 92008

Dear Mr. Neu:

RE: Review of the City of Carlsbad's Revised Draft Housing Element

Thank you for submitting Carlsbad's revised draft housing element received on June 5, 2008. The Department is required to review draft housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). The review was facilitated by communications with Mr. Scott Donnell, Senior Planner.

The revised draft element addresses most of the statutory requirements described in the Department's October 25, 2007 review. However, further revision is necessary to comply with State housing element law (Article 10.6 of the Government Code). The following describes additional changes needed:

1. *Include an inventory of land suitable for residential development, including sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).*

Carlsbad has a remaining regional housing need of 3,566 housing units, of which 2,395 units are for lower-income households. To address the remaining lower-income need, the element relies on a combination of vacant and nonvacant sites, including smaller underutilized sites in the Village and Barrio areas. However, to demonstrate the adequacy of these sites, the element must still provide analyses regarding the feasibility of underutilized sites and strengthen or add programs to encourage and facilitate the redevelopment of underutilized and smaller sites, particularly in the Village and Barrio areas, as described on the next page.

Nonvacant Sites: While the element now includes some information on recent development in the Village area, the element should analyze the site characteristics and circumstances leading to redevelopment on these sites and evaluate the extent to which other sites in the Village and Barrio Areas have similar characteristics. For example, the element briefly describes (page 3-17) the Village Townhomes as a recent development on a nonvacant site. The element should also discuss the prior use and characteristics and other conditions facilitating redevelopment.

2. *Identify actions that will be taken to make sites available during the planning period of the general plan with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing (Section 65583(c)(1)).*

Programs to Encourage the Development of Nonvacant and Small Sites: Most sites in the Village and Barrio areas are smaller, less than half an acre, and many sites project a residential capacity of less than 10 units. The element lists recent development on small sites and appears to estimate the development capacity assuming all sites will be fully developed in the planning period. However, the element does not provide any methodology or information demonstrating this is a realistic assumption. This is particularly a concern given the element identifies these sites to accommodate a significant portion of the City's regional housing need for lower-income households. Also, while development can occur on small sites, they do not generally provide the economies of scale necessary to facilitate development of housing affordable to lower-income households. For example, most assisted housing developments utilizing State or federal financial resources typically include at least 50 to 80 units. As a result, the element must estimate a more realistic capacity on small sites in the planning period and include specific programs to encourage and facilitate the lot consolidation necessary for housing affordable to lower-income households. For example, the element could include programs to increase allowable densities beyond density bonus law upon consolidation or provide financial incentives, fee waivers or other concessions.

Program 3.14 (Housing for the Homeless): While the element now includes provision to identify zoning to permit emergency shelters by-right, the program should clarify shelters will be permitted without a conditional use permit or other discretionary action. Further, the program must identify the specific zones being considered to permit emergency shelters and include a discussion demonstrating sufficient and adequate capacity is available in those zones.

3. *Include a program which sets forth a five-year schedule of actions the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing (Section 65583(c)).*

Program 3.7 (Housing Trust Fund): The revised draft did not address the requirements described in the October 2007 review. To address the requirements, the program could consider utilizing some of the fund to facilitate development in the Village and Barrio areas.

Energy Conservation: While the element now explains various energy conservation efforts, including water conservation and modifying development standards in the Village area, it does not describe actions Carlsbad will take to help implement the initiative or otherwise promote energy conservation in residential development. Given the importance of promoting strategies to address climate change and energy conservation, the housing element update process provides an important opportunity to include specific implementation actions. The element should include policies and programs to help implement and meet both housing and energy conservation objectives. Additional information on potential policies and programs to address energy conservation are available in the *Building Blocks*' technical assistance tool at http://www.hcd.ca.gov/hpd/housing_element/screen12_conservation.pdf.

Once the element has been revised to adequately address these requirements, it will comply with State housing element law. The Department appreciates the City's efforts to address its housing needs and is thankful of Mr. Donnell's cooperation and hard work during the housing element update. If you have questions or would like further assistance, please contact Paul McDougall, of our staff, at (916) 322-7995.

Sincerely,



Cathy E. Creswell
Deputy Director