ESCONDIDO
City of Choice

Housing Division
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April 1, 2008

HOUSING POLICY
DEVELOPMENT, HCD
APR 04 2008

Department of Housing and Community Development
Division of Housing Policy Development
P.O. Box 952053
Sacramento, CA 94252-2053

RE: Escondido Annual Housing Report for Calendar Year 2007

Dear Ms. Creswell:

I have enclosed for your records the City of Escondido's Annual Housing Report for Calendar Year 2007. As you are aware, 65400 of the Government Code requires that each jurisdiction submit an annual report to the Office of Planning and Research and the Department of Housing and Community Development on the status and progress in meeting its share of regional housing needs. On March 12, 2008, the Escondido City Council reviewed the report and authorized its submission.

The City of Escondido currently has a variety of programs to meet the needs of Escondido residents. The programs discussed in this report demonstrate the City's commitment to accomplish the goal of providing assistance to low income families while revitalizing the city's neighborhoods.

If you need any further information, please contact Lisa Smith at (760) 839-4519.

Sincerely,

Lisa Smith by Ron Keiser

Lisa Smith
Senior Planner

Enclosure

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City of Choice

CITY COUNCIL

For City Clerk's Use:
☐ APPROVED ☐ DENIED
Reso No. 2003-_____ File No._____
Ord No. 2003-_____

Agenda Item No.: _____
Date: March 12, 2008

TO: Chair and Commissioners

FROM: Beverly Peterka, Housing Division Manager

SUBJECT: 2007 Annual Housing Report

RECOMMENDATION:

Authorize submittal of the attached report to the State Offices of Planning and Research and Department of Housing and Community Development.

FISCAL ANALYSIS:

None

GENERAL PLAN ANALYSIS:

The reporting requirements are consistent with the Housing Element of the General Plan.

BACKGROUND:

Government Code Section 65400 establishes the requirement that each city submit an annual report on the status of the Housing Element of its General Plan and progress in its implementation using forms and definitions recommended by the Department of Housing and Community Development (HCD). Opportunities for State Housing and Smart Growth funds rely upon each city's demonstration of its compliance with the Housing Element's objectives and deadlines.

In order to demonstrate compliance with the Housing Element, each city must report on the annual building activity of affordable units (Table A), the annual activity of above moderate units (Table A2), the city's progress in meeting its regional housing needs allocation (Table B), and the city's progress in its implementation of the Housing Element programs during 2007 (Table C).

The affordable housing developments completed during 2007 include: Orangewood (7 affordable ownership units), Brotherton Square (22 affordable ownership units) and Serenity Village (8 transitional housing units). Las Ventanas, a mixed use development with 80 affordable family units was also very near completion in 2007 and recently completed this month.

Respectfully submitted,

Beverly Peterka
Housing Manager

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

Jurisdiction City of Escondido

Reporting Period 1/1/2007 - 12/31/07

Table A

Annual Building Activity Report
Very Low-, Low-, and Moderate-Income Units 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	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	Assistance Programs for Each Development	Deed Restricted Units	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		See Instructions	See Instructions	
Brotherton	SF	O	4		18		22	RDA, CalHFA	22	
Orangewood	SF	O	7				7	HOME	7	
Serenity Village	5+	R	8				8	RDA, HOME	8	
Raymond Refuge	4	R	4				4	SHP		
(9) Total of **Above Moderate** from Table A2 ► ► ► ► ► ►						287	287			
(10) Total by income units (Field 5) Table A ► ► ►			[illegible]		18		328			

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

Jurisdiction City of Escondido

Reporting Period 1/1/2007 - 12/31/07

Table A2

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

	Single Family	2 - 4 Units	5+ Units	Second Unit	Mobile Homes	Total
No. of Units Permitted for **Above Moderate**	246	8	33			287

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

Jurisdiction City of Escondido

Reporting Period 1/1/2007 - 12/31/07

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.			7/1-12/31-05	2006	2007							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	548		1	23							24	524
	Non-deed restricted												
Low	Deed Restricted	417		6								6	411
	Non-deed restricted												
Moderate	Deed Restricted	461			18							18	443
	Non-deed restricted												
Above Moderate		1,011	71	231	287							589	422
Total RHNA by COG. Enter allocation number:		2,437											
Total Units ► ► ►			71	238	328							637	1,800
Remaining Need for RHNA Period ► ► ► ► ►													

Jurisdiction City of Escondido

Reporting Period 1/1/07-12/31/07

Table C
Program Implementation Status

Part One			
Program Description (By Housing Element Program Names)	**Housing Programs Progress Report - Government Code Section 65583 Describe progress of all programs including progress in removing regulatory barriers.**		
Name of Program: 1. Construction Programs	**Objective**	**Deadline in H.E.**	**Status of Program Implementation as of 12-31-07**
1:1: Project Development (Increase affordable housing through redevelopment and rehabilitation) **Anticipated impact: Increased supply of rental and ownership units for very low-income and low-income residents (200)**	Send out RFP Select projects Acquisition, rehabilitation, or preservation	Summer/06 Fall/06	RFP sent Summer/05 Projects selected Fall/05 (141 units) Construction of seven units (Milane Lane/7) was completed during 2006 and nineteen in 2007 (Serenity Village/8, Orangewood/7 and Brotherton/4) Total = 26 units
1.2: Mortgage Revenue Bonds (Provide credit support for issuance of revenue bonds) **Anticipated impact: Acquisition, rehabilitation, preservation, or construction of affordable housing for low-income households.**	Continuation of program	Ongoing	Ongoing
1.3: First-Time Homebuyer/Home Entry Loan Program (HELP) and Home Ownership Made Easy (HOME) (Provide $25,000 loans to low-and moderate-income households for closing and down payment) **Anticipated impact: Increased homeownership opportunities for low- to moderate-income households (200 units).**	Continue to provide assistance Implement additional marketing strategies	2005-2010	27 HELP loans issued during 2007 20 HOME loans issued during 2007
1.4 First-Time Homebuyer/Mortgage Credit Certificates (Provide mortgage credit certificates to new homeownership to reduce taxes) **Anticipated impact: Additional homeownership opportunities for low- and moderate-income households.**	Continue to issue	Ongoing	1 MCC was issued during 2007

Name of Program: 1.Construction Programs (Continued)	Objective	Deadline in H.E.	Status of Program Implementation as of 12-31-07
1.5 Emergency Shelter Program (Streamline Emergency shelter requests) **Anticipated impact: Provision of shelter for individuals and families with special needs.**	Amend Zoning Code To allow with CUP in Hospital Professional (HP) Zone. Involves giving emergency shelter its own land use code.	2006	Amending the Zoning Code to allow emergency shelters in the HP zone (with a CUP) is a continued program from the previous 1999-2004 Housing Element. During the 1999-2004 Cycle, the Zoning Code was also amended to allow emergency shelters in the M-1 zones (subject to the approval of a conditional use permit). Since then, staff has inventoried available sites and determined that adequate land is available in the M-1 zone to serve the estimated emergency housing need. A comprehensive code amendment addressing Housing Element implementation was considered 8-22-07 by City Council. Council did not approve the amendment to the HP zone due to the existing available land in the M-1 zone. The City also worked collaboratively with the other jurisdictions in the region to create a comprehensive plan in which each city provides emergency shelter annually for an agreed amount of homeless individuals for 100 consecutive days starting in early December. On September 12, 2007, City Council approved the Regional Plan allowing for the use of the Salvation Army multi-purpose room as shelter for 30 individuals.
1.6 Section 202 Development (Provide federal capital advances and project rental assistance under Section 202 of the Housing Act of 1959) **Anticipated impact: New housing opportunities for senior/disabled households.**	Biannually explore ways to receive 202 funding and related funding Increase the number of units for senior and for persons with disabilities by 29	Ongoing	In June of 2006, the development proposal for the 61-unit senior facility was approved at City Council. Plan checking began before the end of the year. Much of the plan checking was conducted over the course of 2007 and several applications for tax credits were submitted, but none have been awarded to date.

Name of Program: 1.Construction Programs (Continued)	Objective	Deadline in H.E.	Status of Program Implementation as of 12-31-07
1.7 Infill New Construction (Support new construction of homeownership and rental units and redevelopment/revitalization on infill sites) **Anticipated impact: New housing opportunities for homeownership and rental for low- and moderate-income households.**	Annually track remaining infill sites in urban core Contact developers and pursue development plans on identified recyclable sites and promote infill and reuse strategies and incentives Provide financial assistance through applications for loans and grants	Ongoing Annually	Ongoing Housing Division Manager met with several developers to discuss potential redevelopment. Planning staff followed up with research to facilitate maximum densities in high density zones. Thirty seven new affordable units (Serenity Village, Brotherton Square, Orangewood) were completed on infill sites during 2007 Two development proposals (Las Ventanas and the SoCal Senior Development) on infill sites for a total of 141 units (138 affordable) were approved in spring of 2006. Las Ventanas, with a density of 40.12 du/ac, was mostly built in 2007 and recently completed in 2008. In 2007, the City received an $82,707 Workforce Housing Grant
1.8 City-owned Sites (Facilitate the redevelopment/development of affordable housing on City-owned sites) **Anticipated impact: Sites for affordable housing.**	Use City-ownership as a potential inducement for rehabilitation of more affordable housing	Ongoing	The Housing Division and the Public Works Department continue to review properties when they become available as potential sites for redevelopment.
1.9 Density Bonus (Allow density bonuses and residential incentives for affordable and senior housing) **Anticipated impact: Additional housing opportunities for low- and moderate-income households.**	Ongoing Review of Ordinance to provide more incentives and more flexible zoning standards	Ongoing 2006	In the summer of 2006, Environmental Review was completed on a draft comprehensive code amendment to update compliance with State Law. The portion related to density bonus was denied 8-22-07 by City Council since the City currently has a Density Bonus and Residential Incentive Ordinance and a Planned Development Ordinance that effectively encourage the development of high density affordable housing. Two recent examples of high density affordable housing development include the Las Ventanas project, developed at 40.12 dwelling units per acre with a density bonus of 67% and the SoCal Senior Facility, approved at 53.5 dwelling units per acre with a density bonus of 33%.

Name of Program: 2. Rehabilitation Programs:	Objective	Deadline in H.E.	Status of Program Implementation as of 12-31-07
2.1 Housing-Rehabilitation Owner Occupied (Provide rehab loans of $25,000/$40,000 for single-family residents and $8,000/$20,000 for mobilehomes) **Anticipated impact: Rehabilitation of units for very low-income, low-income, and moderate-income households (160 units).**	Continuation of program Implement additional marketing strategies Expand program	2005-2010 Winter 06 Spring 06	Rehabilitation of 33 units during 2006 Rehabilitation of 29 units during 2007 The Program was advertised in the community newsletter for the first time A staff person was hired to work only on the program and was able to bring the number of rehabs up to 33 in 06 and 29 in 07.
2.2 Housing Rehabilitation: Renter Occupied (Continue to explore potential rental rehabilitation programs) **Anticipated impact: Increase rental rehabilitation for very low-income and low-income households (50 units).**	Ongoing	Ongoing	Due to lack of demand for assistance, the program was not funded. The City continues to explore ways to encourage assistance. Refer to Program 1.1 (Project Development) and 2.3 (Recycling Existing Structures) for rehabilitation of multifamily housing.
2.3 Recycling Existing Structures (Continue to explore ways to encourage the recycling of older structures for affordable housing opportunities) **Anticipated impact: Additional affordable housing opportunities for very low-income and low-income households. (20 Units)**	Continue with exploration and evaluation of options such as incentive programs for efficiency units, acquisition-rehabilitation-resale and a special Planned Development approach	Ongoing	As discussed under Program 1.1 (Project Development), two development proposals for a total of 141 units (138 affordable) were approved in the spring of 2006. Manager continues to research and meet with developers interested in acquisition and rehabilitation.
2.4 Focus on Neighborhoods (Collaborate with departments to channel resources and efforts into neighborhoods) **Anticipated impact: The concentration of City resources to one neighborhood and the opportunity for significant community impact both in physical improvement and improvement in quality of life for neighborhood residents. (Low- and moderate-income categories)**	Continue collaborative efforts through funding resources, policies and community outreach	Ongoing	Through 12/31/07, concentrated efforts achieved in Westside, Orange Place and Mission Park neighborhoods involving street improvements, crime prevention, code enforcement, community engagement, community beautification efforts and infill lot development. Full street improvements were completed on Upas Street (Westside neighborhood), drainage improvements and a new sound wall were installed in the Orange Place neighborhood, and a new neighborhood park was installed in the Mission Park neighborhood during the year. In addition, sweeps by the Appearance and Compliance Team (ACT) have targeted these neighborhoods, a new Weed & Seed effort has begun in the Mission Park neighborhood, and a new task force (the Elder Place Task Force) focusing on a gang-ridden neighborhood was developed and is providing resources to address crime and physical improvements in the area.

Name of Program: 3. Conservation Programs:	Objective	Deadline in H.E.	Status of Program Implementation as of 12-31-07
3.1 Transitional Housing/Project Development (Provide temporary shelter for households for a nominal cost to the tenant) **Anticipated impact: Assistance to households with special needs (48 bed/units) (very low and low categories).**	Continue to work with nonprofits to provide transitional housing	Ongoing	Construction of Serenity Village began during 2006 and completed during 2007. It is comprised of 8 transitional 3-bedroom homes on four lots. Four other units were also acquired by Interfaith Community Services and converted into permanent supportive housing (Raymond's Refuge) in 2007.
3.2 Rental Subsidy (Provide households with affordable rents) **Anticipated impact: Rental Assistance for very low-income households, based on federal guidelines.**	Collaborate with HUD toward the provision of Section 8 Rental Subsidy to households earning 50% or less of the median income	Ongoing Ongoing	Ongoing During 2007 approximately 1,123 households were assisted.
Anticipated impact: Rental Assistance for very low-income households (seniors and persons with disabilities).	Provide rental subsidy to low income seniors and persons with disabilities in mobilehomes parks and apartments	Ongoing	During 2007, a monthly average of 164 senior households (or persons with a disability) in mobilehome parks and another 138 in apartments were receiving rental subsidy while waiting for HUD Section 8 eligibility.
3.3 Mobilehome Park Conversion (Provide technical assistance toward conversion to ownership) **Anticipated impact: Continued mobilehome resident ownership opportunities for very low-income and low-income residents.**	Continue to work with City policies and procedures to assist in conversion	Ongoing	During 2007, the City continued to provide assistance to 3 mobilehome parks (Rancho Escondido, Escondido Views and Mountain Shadows) and managed remaining city-owned spaces in Escondido Views and Mountain Shadows.
3.4 Mobilehome Rent Review (Rent review of application for increases in mobilehome parks) **Anticipated impact: Stabilized rents for mobilehome residents, many of whom are very low- and low-income.**	Continue review of proposed increases to maintain affordability of units	Ongoing	Eleven rent review hearings were held and monthly increases averaging from $6.22 up to $19.51 were approved during 2007.

Name of Program: 3. Conservation Programs: (Continued)	Objective	Deadline in H.E.	Status of Program Implementation as of 12-31-07
3.5 Existing Subsidized Housing Development Assistance (Continue to explore means to prevent conversion of existing affordable housing) **Anticipated impact: Continued affordability of subsidized housing developments.**	Annually track affordable housing developments and work with owners to extend affordability	Ongoing	Ongoing
	If owner wishes to sell, contact potential buyers who would want to extend affordability and if unsuccessful follow up with Section 8 and relocation potential	Ongoing	CDC-owned property on Terrace Road was listed for sale to affordable housing providers and the public. No minimum bids nor acceptable offers were received by the CDC. The property is now vacant.

Name of Program: 4. Administrative Programs:	Objective	Deadline in H.E.	Status of Program Implementation as of 12-31-07
4.1: Fair Housing (Affirmatively further fair housing through specific education outreach and monitoring activities) **Anticipated impact: Continued enforcement of the Fair Housing Plan which will prevent discrimination in housing. Continued landlord/tenant assistance program which will assist in resolving landlord/tenant disagreements (very low- and low-income renters).**	Ongoing	Ongoing	During 2007, the City contracted with Center for Social Advocacy (formerly Heartland Human Relations) to provide fair housing services for counseling and mediation in landlord/tenant disputes. Services include bilingual assistance.
	Disperse information regarding programs at various locations	Ongoing	Continued to disperse information, review potential impediments to fairhousing and meet with other jurisdictions to discuss and address potential regional impediments.
4.2: Code Revisions: Nonconforming Use Ordinance **Anticipated impact: Continued occupancy of low-income units.**	Allow alterations that are nonconforming to existing low-income units per code	Ongoing	Ordinance still in effect.
4.3: Senior Housing Ordinance enforcement (Encourage construction of senior housing through ordinance review) **Anticipated impact: Continuing availability of senior housing.**	Continue to encourage development of senior housing	Ongoing	As mentioned under Program 1.6 regarding senior housing, in June of 2006, a development proposal for a 61-unit (60 affordable) senior facility was approved by City Council. Much of the plan checking was conducted over the course of 2007 and several applications for tax credits were made.
4.4: Housing Information and Referral (Provision of information for marketing and educational purposes) **Anticipated impact: More effective and targeted housing programs (especially very low-income and low-income households).**	Provide annual updates	Ongoing	Information was updated and distributed via a variety of ways such as the web-site, brochures, mailers, and referral cards and Neighborhood Porch meetings.

Name of Program: 4. Administrative Programs: (Continued)	Objective	Deadline in H.E.	Status of Program Implementation as of 12-31-07
4.5: Housing Element Update (To be updated to reflect new data and new policies) **Anticipated impact: Continuing current housing element (all income categories).**	Update Housing Element		
4.6: Land-use Policies (Evaluate current policies as they relate to the Housing Element) **Anticipated impact: Better coordination and consistency of plan elements (all income categories).**	Review of codes and policies for consistency with Housing Element	Ongoing	In 2007, Housing, Neighborhood Services, and Planning staff worked together during the year to ensure consistency which included review of projects, and policies pertaining to the Downtown Specific Plan, density bonus, minimum density, and parking.
4.7: Licensed Residential Care Facilities **Anticipated impact: Continued development of congregate care facilities/licensed residential care facilities (seniors, all income categories).**	Facilitate development by continuing to permit by right in CG and HP zones and with CUP in Residential zones	Ongoing	Meadowbrook Village, a combined skilled nursing (27 beds), congregate care (51 beds) and senior facility (65 units) was approved in 2004. The facility was under construction in 2007 and should be completed during 2008.
4.8: Regional Planning and Cooperation **Anticipated impact: More efficient and cost-effective housing programs (all income categories).**	More efficient and cost effective housing programs through information sharing region wide	Ongoing	City staff meets regularly with other jurisdictions in State and County.
4.9: Nonprofit Corporation (NPC) Support Facilitate NCPs in their provision of affordable housing **Anticipated impact: More effective NPCs and more housing assistance for very low-income and low-income households.**	Meet with nonprofit and forprofit developers to identify potential sites and to facilitate provision of affordable, mixed-use and mixed-income development	Quarterly	Ongoing
4.10 Ordinance Review Review of ordinances for impact on low- and moderate-income housing, senior housing and housing for persons with disabilities. Explore ways to modify ordinances to encourage redevelopment/development. **Anticipated impact: Removal of government constraints (very low-income and low-income units).**	Ongoing Complete code amendments to Density Bonus and Residential Incentive ord and to multifamily zones to require minimum densities	Ongoing June 06	City staff worked on an update to Downtown Specific Plan during 2006. City Council adopted the update 3-21-07. Refer to Program 1.7 (Infill New Construction) regarding ordinance review and changes. Refer to Program 1.9 (Density Bonus) for implementation of State law. The Minimum Density Ordinance was drafted by staff and reviewed by City Council in 2006. Adjustments were made addressing Council's concerns pertaining to the impact to homeowners. A revised Minimum Density Ordinance was approved by Council in the summer of 2007. The Minimum Density was a component of a comprehensive code amendment addressing housing element implementation.