

CEDAR CREEK APARTMENTS

The Cedar Creek Apartments was completed in 2010 and includes 48 dwelling units on 2.52 acres at 8616-8630 Fanita Drive, in the R-7 zone. Of the 48 units, 47 are rent-restricted to lower income households for 55 years. The affordability mix may vary, but at least 10 units must be reserved for very low income households. For the purposes of determining credits against the RHNA, the following affordability is assumed: 10 very low income units, 37 low income units, and one above moderate income unit. Table 4-2 provides additional details about the project.

General Plan:	R-7 (7-14 dua)
Zoning:	R-7 (7-14 dua)
Acres:	2.52
Total Units:	48
Type	Type V construction two-story garden-style apartments with surface parking
Year Built:	2010
Actual Density:	19.0 dua
% of Max Density:	135%
Affordability:	10 units (<50% AMI) 37 units (51-80% AMI) 1 unit (manager)
Land Assemblage:	Developer acquired and assembled four underutilized parcels
Land to Development Cost Ratio:	12.8%
Per-unit Gap Financing:	\$112,255
Source: City of Santee, 2013.	

FORESTER SQUARE APARTMENTS

The Forester Square Apartments was substantially completed at the time of preparation of the Housing Element; full occupancy is anticipated in early 2013. The development provides a total of 44 housing units in the R-14 zone, of which, 43 are deed restricted as affordable to lower income households for 55 years. Like the Cedar Creek Apartments, the day-to-day affordability mix may vary, but at least five units must be reserved for very low income households at all times. For the purposes of determining credits against the RHNA, the following affordability is assumed: five very low income units, 38 low income units, and one above moderate income unit. Table 4-3 provides additional details about the project.

Table 4-3 Summary Statistics for Forester Square Apartments	
General Plan:	R-14 (14-22 dua)
Zoning:	R-14 (14-22 dua)
Acres:	1.64
Total Units:	44
Type	Type V construction three-story garden-style apartments with surface parking
Year Built:	2013
Actual Density:	26.8 dua
% of Max Density:	122%
Affordability:	5 units (<50% AMI) 38 units (51-80% AMI) 1 unit (manager)
Land Assemblage:	Developer acquired and assembled four underutilized parcels
Land to Development Cost Ratio:	13.2%
Per-unit Gap Financing:	\$127,767
Source: City of Santee, 2013.	

Low Income

The City identified 30.81 acres on 14 parcels that are available and have capacity to accommodate at least 654 low income units by 2020. Of these parcels, five are zoned R-22 (22-30 dua) and can accommodate low income units “by default” per Government Code Section 65583.2(c)(3)(B). The two vacant R-22 parcels are located adjacent to each other, creating consolidation potential. The other three R-22 parcels are also located adjacent to each other and are highly underutilized. The underutilized properties are currently occupied by a small commercial building, small animal raising, two single-family homes, and vehicle storage. All five R-22 parcels were rezoned in January 2013. The two adjacent vacant parcels were rezoned from R-14 (14-22 dua) and the three adjacent underutilized parcels were rezoned from General Commercial (GC).

The other nine parcels are zoned R-14 and R-22-TC. The maximum allowable density in these zones is 22 dua. In cases where a city or county does not have enough residential sites zoned at 30 dua to meet their RHNA allocation for lower income households, depending on local market conditions, State law allows alternative analysis of feasibility for construction of affordable units on sites zoned for less than 30 dua. The City recently approved two affordable housing developments at less than 30 dua: the Cedar Creek development in the R-7 zone (7-14 dua) and the Forester Square project in the R-14 zone (14-22 dua). Both projects were completed within the current Housing Element RHNA period and provide 75 low income units and 15 very low income units. Through the City’s density bonus ordinance, Cedar Creek achieved 19 dua per acre and Forester Square achieved 26 dua. The average density of these two projects is 22 dua.

This average density of the Cedar Creek and Forester Square projects demonstrates that the City can accommodate housing affordable to lower income households at less than 30 dua. Although the Cedar Creek and Forester Square developments provided very low income housing an average of 22 dua, the proportion of total units that are reserved for this income group is relatively small (20 and 11 percent, respectively). As a conservative analysis, the City has assumed that larger parcels zoned R-14 and R-22-TC can accommodate housing affordable to low income households.

The nine R-14 and R-22-TC parcels that are suitable to accommodate low income households are all greater than one acre in size; the vacant R-14 parcel is 2.28 acres, the vacant R-22-TC parcel is 12.77 acres, and the average size of the seven underutilized R-14 parcels is 1.30 acres. The seven underutilized R-14 parcels are occupied by small, older one-story single-family homes and three have consolidation potential as they are located adjacent to each other.

FEASIBILITY ANALYSIS

The Cedar Creek (2010) and Forester Square (2013) housing developments demonstrate the feasibility of constructing affordable housing in Santee on sites zoned for less than 30 units per acre. The Cedar Creek Apartments was built at 19.0 du/a with a per-unit gap financing of \$112,255 (Table 4-2 on page 4-2). The Forester Square Apartments achieved 26.8 du/a; however, the per-unit gap financing was \$127,767 (Table 4-2 on page 4-3). The average density of these two projects was 22.9 du/a. Forester Square was an applicant-initiated request to rezone Light Industrial to R-14. This demonstrates that the applicant found the R-14 zone, which allows 14 to 22 du/a, sufficient to provide affordable housing. Both developers assembled smaller contiguous parcels to facilitate their projects. The per-unit gap financing for the 19 du/a Cedar Creek Apartments was 14 percent lower than the per-unit gap financing required for the higher density 26.8 du/a Forester Square Apartments. Therefore, based on the recent experience of two affordable housing developers, it can be concluded that it is feasible to construct lower income housing in Santee in zones that allow up to 22 du/a, including the R-14 and R-22-TC zones.

A 2012 study of affordable housing projects in San Diego County constructed since 2009 provides additional evidence that constructing affordable housing is feasible at densities less than 22 units per acre.² The report found that “surface parked garden style apartments were found to generate the lowest financing gap” when compared to lower density townhomes and higher density stacked flats. The overall median density of projects included in the study was 22.1 du/a and the report identified four garden-style apartment projects constructed at less than 22 du/a, including one that achieved 21.6 du/a in Lakeside, which is an unincorporated community that borders Santee on the east.