



AGENDA REPORT

Joint Study Session of the City Council & Planning Commission

MEETING DATE: February 3 and 5, 2015

PREPARED BY: Manjeet Ranu, Deputy Director

DEPT. DIRECTOR: Jeff Murphy

DEPARTMENT: Planning and Building

INTERIM CITY MGR: Larry Watt

SUBJECT:

At Home in Encinitas. The purpose of this joint study session of the City Council and the Planning Commission is to: 1) Receive a report and presentation on the public opinions collected via e-Town Hall regarding the preferred site locations and future housing types needed for the Housing Element Update; and, 2) Identify the sites and housing types that will collectively create one or more Housing Strategy Maps that will be analyzed in the Environmental Impact Report (EIR).

The meeting scheduled for February 5th will only be necessary should the Council need more time on this subject after the February 3rd study session.

RECOMMENDED ACTIONS:

Staff recommends the following:

1. Receive the report and presentation on the results of public opinions collected via e-Town Hall regarding the preferred site locations and type of future housing for the Housing Element Update;
2. Receive and consider public testimony;
3. Identify the sites and housing types that will collectively create one or more Housing Strategy Maps, which would meet the City's cumulative Regional Housing Needs Assessment allocation, pursuant to State law; and,
4. Direct that the selected Housing Strategy Map(s) continue forward in an Environmental Impact Report (EIR) and return with the findings for further action.

STRATEGIC PLAN:

The action before the Council fits within the Community Planning focus area and works toward the goal to qualify for a certified Housing Element.

FISCAL CONSIDERATIONS:

The action before the Council is to identify possible sites and types of future housing for environmental analysis. This action will result in a fiscal impact associated with the preparation

of an EIR, the cost of which is also dependent on the number of Housing Strategy Maps analyzed --- as more maps are selected for analysis, the cost will likely increase. Authorization and associated funding request for the EIR will be presented to Council at a future meeting.

BACKGROUND/ANALYSIS:

In 2013, the City reinitiated a focused effort to update its Housing Element, referred to as the Housing Plan. Among other things, a Housing Plan provides for an adequate supply of future housing to meet the needs of everyone in our community. Understanding the public interest in this issue, it was recognized that public awareness and participation needed to be at the core of the planning process.

Attachment A, Public Participation Activities and Results Report, provides a complete discussion of the considerable efforts made to engage a broad spectrum of residents and stakeholders and the overall approach to facilitating public input, including viable housing sites and urban design considerations (Part I). The report also provides an overview of the housing strategies considered by the participants who provided their opinion via e-Town Hall, and summarizes and discusses the results from the input that was collected (Part II). The Council received an informational presentation on Part I of that report at its January 21, 2015 meeting.

This Agenda Report focuses on the findings that are discussed in Part II. The Public Participation Activities and Results Report in Attachment A includes both Part I and II.

A. Joint-Session Goal and Key Objectives

Since giving the direction to reinitiate the Housing Plan, the Council has taken several key steps necessary to develop and implement a planning process that will create an updated plan, which will ultimately be submitted to Encinitas voters for approval in November 2016. To continue moving forward toward achieving a State-certified Housing Plan for Encinitas, and to maintain the project schedule, the goal for this study session is as follows:

To identify one or more Housing Strategy Map(s) that will meet the City's future housing obligations. The selected maps will then undergo environmental review.

To achieve this goal, certain objectives must be met:

- Provide opportunities for public input
- Comply with State Housing Law
- Distribute the required future housing units citywide, as proportionally as possible
- Provide options for a diversity of housing choice
- Focus on site selection (policy discussion will occur in March 2015)

B. Housing Strategies – Overview

Once a public participant reviewed the information that was presented at a Community Dialogue Session, or on the City's website at www.AtHomeinEncinitas.info, they were in a position to provide an informed opinion about where future housing should go in the community and the types housing on those sites. Upon accessing e-Town Hall, the forum provided a series of interactive maps that helped citizens and stakeholders learn

about where new housing could potentially be built – and gave participants a chance to look at different types of housing that could go there, and then select the option they like best for that community.

The site selection methodology used to establish the opportunity sites and housing types used in e-Town Hall was endorsed by the Council on September 25, 2013. In summary, the framework for considering future housing sites was based on the public input and results of the 2012 Restart Effort as well as planning principles, which include the following important factors.

- Existing public services/infrastructure
- Close proximity to transit
- Housing close to available jobs
- Sites with few constraints
- Proximity to key activity centers
- Mixture of land uses
- Well-integrated projects
- Preserve environmentally sensitive areas

Participants on e-Town Hall were provided different housing strategies on which to provide their opinion and feedback on where future housing and types of housing should be located within a particular community: The “Ready-Made” and “Build-Your-Own” strategy.

1. Ready-Made Strategies

The “ready-made” strategies are intended to offer different pre-made scenarios for providing a range of housing choices on a different combination of viable housing sites. With a different focus and mix of sites, each strategy finds a different way to accommodate a community’s future housing needs. There were three different strategies available for participants to choose.

- “Mixed Use Places” Housing Strategy

This housing strategy idea takes advantage of the benefits of mixing housing with retail and employment land uses. It introduces new mixed use allowances into existing mixed-use places or existing commercial areas and allows new housing development within other places where it would be most compatible with existing community characteristics.

- “Major Corridors” Housing Strategy

This housing strategy idea focuses housing primarily in the medium and large underutilized sites along major corridors.

- “Highly Concentrated” Housing Strategy

This housing strategy accommodates necessary housing in the simplest manner to comply with State law. Housing projects under this strategy would primarily be three-story condo flats and apartments.

2. Build-Your-Own Strategies

The second approach, called “build your own,” required a bit more time and focus, but e-Town Hall allowed a participant to individually select a viable

housing site and assign housing types to it, resulting in a specific amount of future housing capacity. The participant would continue doing this until they met the targeted number of housing units for that community.

C. Analysis Methodology – Overview

A simple and consistent methodology was utilized to tabulate the results. The online activity hosted on e-Town Hall collects the input, which can then be parsed in various ways to isolate results based on location of the participant, or other profile data collected.

Participants were asked to provide their home or work address through a registration process. This was important information to collect because it allows staff to differentiate whether a comment was from someone who lived/worked within a particular community versus one who lived/worked outside of that community. If a participant completed the registration process, their comments or preferences were posted "on-forum". Participants who submitted comments or preferences but did not complete the registration process are considered "off-forum". More information about the registration process and "on-forum" and "off-forum" comments are provided in an appendix to Attachment A.

Relative to the number of people who expressed their opinions in each topic exercise, a total level of support from "on forum" comments was created and presented in the results section. This shows the total level of support from known or unique participants (i.e., all comment or preferences posted "on-forum").

Because "on-forum" comments are associated with a specific level of data from a participant, participant responses can also be filtered or separated out from other responses, creating different subgroups. Because there is a need to see what community residents and business owners think about potential land use changes in their immediate neighborhood, the subgroups that were created include:

- "community resident";
- "community business owner"; and,
- "all others" (resident or business owner outside the subject community).

While there are a number of different ways this information can be grouped and presented, only these three key "on-forum" subgroups have been highlighted in the report. Comments and preferences from participants who did not include registration information ("off-forum") were also separately categorized ("unclaimed"), but were not separated into these subgroups.

D. Participant Site Preferences (Possible Housing Strategy Maps)

The broad public engagement process produced a high level of participation and valuable input that is atypical for an update to a housing plan. Upon review of the information, clear themes emerged to guide preparing the Housing Plan Update, along with insights into other issues and aspirations participants have beyond housing to further strengthen the quality of life residents and businesses enjoy in Encinitas.

When looking at the results, three distinct preferred land use and design character Housing Strategy Maps emerged:

1. *Ready-Made Housing Strategy Map*

Participants who selected the “Ready-Made” strategy overwhelmingly supported the “Mixed Use Places” housing strategy. The sites selected under this strategy are generally focused along the 101 Highway corridor, with sites identified along Encinitas Boulevard at key activity centers (El Camino Real and Rancho Santa Fe Road).

2. *Build Your Own Housing Strategy Map*

For this strategy, staff identified the top ranked viable housing sites yielding at least the target number of housing units for each community, along with the top ranked housing types for each site. Participants who utilized this strategy identified different sites than those offered in the “Ready-Made” strategy, but the housing type overwhelmingly preferred was two- and three-story mixed use housing. The preferred sites selected in this option favored the larger sites generally located along Encinitas Boulevard near Quail Gardens and sites located off of El Camino Real, along Coast Highway 101 in Leucadia, Santa Fe Avenue in Cardiff, and Manchester Avenue in Olivenhain.

3. *Cumulative Rankings Housing Strategy Map*

A third city-wide map was generated representing the top ranked viable housing sites with the associated housing types combining total preferences for both Ready-Made and Build Your Own strategies.

The recorded preferences or comments that were made on both strategies were used to create rankings, or the number of time a preference was made. These ranking or values from each exercise were then added together to result in a cumulative ranking. The cumulative ranking for each community identifies a well-defined order of locations and housing types for each community. Since each viable site accommodates some capacity for future housing, only the top ranked sites that are needed to accommodate the City’s allocation of future housing needs are identified on the cumulative rankings map.

The maps showing these three preferred city-wide housing strategies are provided in Attachment B. The detailed results for each of the five communities are provided as part of the Public Participation Activities and Results Report (Attachment A).

E. Common Participant Comments

Staff found that many participants included comments and notes as part of their housing strategy selection. Upon reviewing of those comments and in consideration of the Housing Strategy mapping results, staff found common themes that are worth noting.

1. *How a Housing Plan can be successful*

The results from the input received show a clear preference for a housing strategy that emphasizes mixed use in key activity centers of every Encinitas community, within a combination of two- and three-story buildings. Some also saw mixed use as an opportunity to grow the City’s employment base and either strengthen or create new, small businesses. However, there are perceived infrastructure deficits that were identified by participants, which causes concern about how new housing would affect existing residents. And there is a desire to

maintain or enhance highly valued characteristics in each of the City's five communities, with a common interest in creating walkable places that reflect the character of each community. Participants stressed that the City should identify tools which encourage the production of new housing by private developers at attainable prices. The preference for mixed use, desire to make what's great about Encinitas even better, along with concerns about infrastructure adequacy and housing attainability, suggest that acceptance of new housing would be successful if it brings with it other benefits to the City and addresses perceived needs.

2. The value of community characteristics

Themes common to all five communities emerged from the public input process. Participants highly value the relatively small scale of the built environment. Walkable places providing opportunities for social interactions and basic services are highly regarded. Spaces that transcend indoor and outdoor areas are seen as something special, because of the moderate climate in Encinitas and connection with either the beach, natural preserves or pastoral settings, progressing west to east. Differences in the characteristics valued relate to the amount of variety currently existing in the community, including the formal or informal character of the existing built environment.

3. Common concerns or issues to be addressed

As is commonly the case, the potential for change raises concern that the special qualities about the five communities could be affected. Additionally, there are perceived issues that exist today, regardless of an updated housing plan. Infrastructure deficits were raised, particularly related to traffic congestion and walkability, with the concern being that new housing will exacerbate issues or create new problems. Concerns about the scale and compatibility of new housing development relative to existing areas were also raised. While many understood the purpose and need for accommodating more attached and multifamily housing, questions were raised about whether this new housing—built by private developers—would indeed be at attainable prices.

4. Focus Housing in Areas with Existing Resources/Infrastructure

In addition to achieving the primary goal of a State-certified housing plan and key reasons why it is important, new housing and the robust public process leading to it, presents an opportunity to reinforce the outstanding qualities that make Encinitas a special place. A broader interest that emerged through the initial public engagement process was promoting sustainability principles in the City's land use, transportation and housing policies. Fundamentally, participants supported directing new housing toward key activity centers and vacant sites within existing developed areas, representing between one and two percent of the City's land area. Therefore, this Housing Plan Update represents a strategic opportunity to make what's great about Encinitas even better, along with preserving its cherished qualities.

F. Next Steps

The goal of this joint study session is to determine which sites and associated housing types, which will create a Housing Strategy Map(s), will be analyzed in the EIR. Goals

and policies related to how the City implements the plan for housing will be discussed at the next joint study session, following these February sessions.

There will be additional opportunities for the public to comment on the housing strategy Map(s) and process as the City moves forward with environmental review. Ultimately, this plan will be placed on the November 2016 ballot for a public vote.

ENVIRONMENTAL CONSIDERATIONS:

The action before the City Council is statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15262, Feasibility and Planning Studies. This action involves only ongoing study related to reporting the result of public input and seeking general direction from the Council, with input from the Planning Commission, on preparing an update to the City's Housing Element. This general direction does not have a legally binding effect on any possible future discretionary action. The approach to conducting the process for updating the Housing Plan considers environmental factors, such as climate change and coordinated planning of land use, transportation and housing, pursuant to Senate Bill 375 (Steinberg, 2008). Public input received and technical information prepared during the proposed process will be utilized in preparing an Environmental Impact Report for the Housing Plan Update.

ATTACHMENTS:

Attachment A – Public Participation Activities and Results Report (with appendices)

Attachment B – Three preferred Housing Strategies Maps

**Attachment A – Public Participation Activities and Results Report
(with appendices)**

Attachment B – Three preferred Housing Strategies Maps