

Affordable Housing Rule: Rationale and Benefits for Escondido

Escondido has not produced adequate affordable housing with its 'voluntary, developer-driven' approach. While the city may have **designated** adequate land for very-low and low income housing, what matters is the **production** of it. This failure of actual production of affordable and workforce housing is why we have a significant housing problem in Escondido.

The practice of designation alone or market-driven voluntary strategy has not worked and must be strengthened. **We need an Affordable Homes Rule in Escondido.**

Examples of this failure are everywhere. The last two projects approved by the Council along the main transportation corridor have included no deed restrictions to provide middle or affordable level units. All were market-rate. In one case the city sold a significant property to developers but the project resulted in no affordable housing inclusion.

Another significant example is how Palomar Heights demonstrates the failure of our current system. A site zoned for over 1,300 units, perfectly located on a transportation corridor, perfect for density, was built far under-density and with no guaranteed (deed-restricted) affordable housing.¹ If there had been even a very modest 10% requirement for affordable units in a project built to the density it was planned, the current total would have yielded 135 additional affordable units. Another example is the April 14, 2021 Planning Commission meeting where a housing development for 120 market-rate rentals in an area zoned for 230 was approved. No deed-restricted affordable and barely 50% of the planned density for an area on a major transportation corridor.

Another issue that would be improved by requiring a percentage of housing to be affordable would be more inclusion and economic integration of residents. Without it, we are concerned that economic separation of affordable units and market rate units will continue.

Housing rule that require % of affordable units are a critically important means to increase actually built affordable units in an economically inclusive manner.

A good working definition of a Affordable Homes or inclusionary housing is,

Local requirement[s] and/or incentive[s] for developers to create below-market rental apartments or for-sale homes in connection with the local zoning approval of a proposed market-rate development project. Often accompanied by 'density bonus' to offset the cost of providing the below market-rate units.²

Polices like these are used in hundreds of communities in 25 states across the country to create units that are affordable to lower-income households in new market-rate residential developments. More than 170 cities and counties in California³ and 900 country-wide⁴ have

¹ *The senior units should not be qualified as affordable units. They are not deed-restricted and, merely by the fact they are designated for 'seniors', does not mean they will be affordable. While many seniors live on very limited means, many others do not.*

² [National Sierra Club Guidance Document for Smart Growth and Urban Infill](#)

³ *Local Government Commission, [Meeting California's Housing Needs: Best Practices for Inclusionary Housing](#) Website*

⁴ *National Sierra Club Guidance Document for Smart Growth and Urban Infill*

housing policies to help address affordable-housing needs while advancing equitable-development goals.⁵

The Local Government Commission lists some benefits of an affordable housing policy

A well-designed ordinance can generate numerous benefits for communities seeking to increase housing affordability and develop diverse, inclusive neighborhoods. These include:

- *More choices for lower-income households about where to live.*
- *Reduced opposition to affordable housing by producing affordable units within communities as they develop, not after.*
- *Support for compact infill development, reduced sprawl and achievement of local Regional Housing Needs Assessment (RHNA) targets for all income levels.*
- *Reduced vehicle miles traveled (VMT) and greenhouse gas emissions by providing people at all income levels more opportunities to live closer to work and in transit-rich areas.*
- *Ensuring that the entire community benefits from a growing economy. Public and private investments help create economic growth that raises property values. Inclusionary housing helps capture some of the value created by these investments to ensure that the benefits do not accrue solely to property owners and helps buffer against displacement pressures by ensuring that lower-income residents can remain in the community.*
- *Reduced segregation and concentration of poverty.* ⁶

Several cities in the County, including San Marcos, already have inclusionary ordinances. The County is developing one now. While Escondido has encouraged affordable housing on a voluntary basis, the voluntary, market-drive strategy has not met the need.

Repeatedly, projects have come before the Planning Commission which have not proposed any affordable housing in spite of the fact that at least one location was designated as a RHNA location suitable for affordable housing.

To understand the reason for this, we can just look to the March 23, 2021 meeting of the Planning Commission. A 60-unit infill project was proposed for South Escondido. A Commissioner asked why it didn't include any affordable housing (e.g. instead was all market-rate), the answer was that 'it wasn't required.' This is exactly the problem. It would be nice if the voluntary effort worked, but it doesn't.

We need an affordable housing development requirement, such as an Affordable Housing Rule to effectively address this issue.

⁵Local Government Commission, [Meeting California's Housing Needs: Best Practices for Inclusionary Housing](https://www.lgc.org/wordpress/wp-content/uploads/2018/11/inclusionary-factsheet_v2.pdf) Website

⁶Meeting California's Housing Needs: Best Practices for Inclusionary Housing https://www.lgc.org/wordpress/wp-content/uploads/2018/11/inclusionary-factsheet_v2.pdf