



COUNTY OF SAN DIEGO

LAND USE AGENDA ITEM

BOARD OF SUPERVISORS

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DATE: November 19, 2025

01

TO: Board of Supervisors

SUBJECT

HOUSING FORWARD: DISCUSSING HOUSING AND LAND USE POLICIES IN THE UNINCORPORATED COUNTY, DEVELOPMENT FEASIBILITY ANALYSIS FINDINGS, AND RELATED CEQA EXEMPTION (DISTRICTS: ALL)

OVERVIEW

In the midst of concurrent housing and climate/environmental crises, the County is navigating interrelated policy issues around where and how to direct development and what types of development to focus on in the unincorporated area. County staff will be bringing forward several items for decisions in 2026-2027 that will affect future development in the unincorporated area, such as the Vehicle Miles Traveled (VMT) mitigation program, Inclusionary Housing Ordinance, various zoning ordinance updates, and the Sustainable Land Use Framework, including how the Sustainable Land Use Framework will explore implementation of smart growth principles. Today's discussion will provide background information and current data to support future decision-making on those items. Staff will also present County-led policy opportunities in incorporated areas that may align with broader regional housing strategies. Staff is not requesting any decisions or action today, but the Board may provide input at their discretion.

Housing continues to be a critical issue in the San Diego region, and local jurisdictions are making efforts to address the need for housing. The State of California (State) has increasingly implemented legislative changes to address housing challenges statewide, but has also implemented new laws to address climate change and lower greenhouse gas emissions (GHG), which impact where new development occurs. Local jurisdictions, such as the County of San Diego (County), still need to consider how to balance these changes with local policies to support our unique communities. Housing solutions benefit all segments of the population, including providing housing for those experiencing homelessness, seniors, and vulnerable populations that need steady housing.

As mentioned, State legislation has increasingly emphasized where and how new development should occur, seeking to balance the need for housing with environmental protection. For instance, the implementation of Senate Bill (SB) 743, which redefined transportation impact analysis from traffic congestion to VMT, has created uncertainty for developers in the unincorporated area. Broader pressures, including rising interest rates, supply chain challenges, State regulatory requirements, and litigation risks, have also impacted development patterns in the unincorporated

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area. As such, large discretionary housing projects in the unincorporated area have declined in the past few years. However, smaller-scale developments, such as Accessory Dwelling Units (ADUs) and lot splits, have increased in response to other legislative changes that have streamlined certain types of housing. Financing programs like the Innovative Housing Trust Fund (IHTF) have also significantly supported local investment for affordable housing and demonstrated housing progress despite challenges. These shifts highlight how housing development has changed and continues to evolve. Housing is a complex policy issue requiring multifaceted solutions. Understanding and determining effective solutions requires a thorough evaluation of current conditions, shaped by recent legislative changes and broader trends, to establish a clear direction for future land use and housing policy.

The purpose of this item is to set the stage regarding housing in the region, providing background and policy context ahead of upcoming Board decision points on Planning & Development Services (PDS) initiatives related to housing. The information presented in this item will allow the Board to have a strategic understanding of barriers to development in the unincorporated area and discuss upcoming Board hearings where the Board can provide direction to shape future development. Today's housing discussion provides information about County efforts to address the housing crisis within the unincorporated area where the County has land use authority in three ways:

1. Staff will summarize the current state of housing production in the unincorporated area and discuss the County's current land use policy foundation, the 2011 County of San Diego General Plan (General Plan). The General Plan emphasizes smart growth principles and directs compact, sustainable development into existing Village centers while preserving surrounding Semi-Rural and Rural lands. The General Plan allows for an estimated 50,000 additional units to be produced in the unincorporated area, but key changes in State legislation since its adoption in 2011 have affected where and what types of development have occurred. Market conditions, the regulatory environment, and other factors identified in the Development Feasibility Analysis (DFA) also suggest a relatively slow and partial buildout of the General Plan.
2. Staff will share the results from the Board-directed DFA from February 9, 2022 (7). The DFA studied four key unincorporated communities to identify barriers to housing development and potential solutions. The study sought to understand whether housing goals could be achieved, and found that poor market conditions, limited land, and complicated County regulations were key barriers. Fundamentally, the study confirmed that the County is unlikely to be able to meet its housing goals in the study areas, as there are broader issues that must be addressed. There are a multitude of factors that contribute to whether housing development in the DFA areas is feasible. The recommendations respond to the identified barriers that need to be overcome, and the market conditions needed for housing to be feasible in these areas and the unincorporated area overall.
3. Lastly, staff will initiate a strategic discussion for the Board around housing development priorities. This will provide the Board with the opportunity to discuss information that will be central to development-related items coming forward in 2026-2027 that will require

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Board direction, such as the: VMT mitigation program, Inclusionary Housing Ordinance, various zoning ordinance updates, and the Sustainable Land Use Framework. These upcoming Board items center around VMT, fire risk, smart growth, environmental sustainability, equity, and affordable housing, and should be considered within the context of the DFA findings.

Today's discussion will present information to help the Board understand what each of these future items could achieve and how items are connected. It will also allow the Board to connect how future Board decisions may guide housing development and implications for housing supply, sustainability, and community needs. No decisions or direction are required at today's hearing, but the Board may provide input at its discretion.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

Planning & Development Services recommends that the Board of Supervisors:

1. Find that the proposed project is not subject to the California Environmental Quality Act (CEQA) because it is not a project as defined in Sections 15378(b)(5) of CEQA Guidelines.
2. Receive the Development Feasibility Analysis (DFA) Report (Attachment A).
3. Receive the Planning & Development Services (PDS) Housing Element Implementation Update (Attachment B).
4. Receive the "Housing Forward: How the County is Supporting Housing in the Region" presentation.

EQUITY IMPACT STATEMENT

The County of San Diego (County) leads multiple initiatives to facilitate equitable housing development. One of these initiatives, the Development Feasibility Analysis (DFA), evaluated the potential for focused County investments and partnerships to facilitate more housing opportunities and economic growth, prioritizing sustainability and equity. The DFA also considers ensuring housing options at various income levels, addressing disparities in infrastructure and service access, minimizing negative environmental impacts, and supporting economic growth through development. Ultimately, these efforts strive to reduce inequities caused by the uneven distribution of services, amenities, schools, parks, and affordable housing. Housing solutions can address homelessness, help individuals gain wealth through home equity, and facilitate intergenerational wealth transfer. The DFA engaged with over 600 individuals ranging from industry professionals to community members in and near environmental justice communities.

SUSTAINABILITY IMPACT STATEMENT

The Development Feasibility Analysis (DFA) supports the County of San Diego's Sustainability Goals and Fiscal Year 2025-2026 Operational Plan Sustainability Commitments by seeking to develop land use and development policies to equitably balance natural spaces, housing needs, and workforce development. The DFA evaluated opportunities to facilitate housing within four communities to support a more sustainable land use pattern, encourage the efficient use of

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infrastructure, redevelop within established communities, reduce commute times, and rejuvenate underutilized Infill Areas. Today's item further explores opportunities to emphasize sustainability by exploring policy considerations to support housing that balances environmental, economic, social, and health/well-being factors through an equity lens.

FISCAL IMPACT

There is no fiscal impact associated with today's item. Receiving the Development Feasibility Analysis (DFA) report and information on land use and housing policy considerations would have no fiscal impact.

There is no immediate fiscal impact, as implementing the DFA recommendations would largely occur through existing housing-related projects, such as zoning updates, and other ongoing initiatives. Funding to implement Capital Improvement Projects to address infrastructure gaps and community improvements would be a longer-term effort that could include the use of existing funding for roads, grant funding and implementation of local funding districts; however, no specific funding source has currently been identified. Staff will continue collaborating internally, with community partners, and with State and regional agencies to identify and pursue funding opportunities to support investments in DFA communities.

There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

The housing crisis is a nationwide issue fueled by rising home prices, slow wage growth, aging infrastructure, and prolonged housing underproduction following the 2008 global financial crisis; as well as supply chain issues and labor shortages stemming from the pandemic, and current concerns over tariffs and economic uncertainty. Statewide, California faces an even more severe challenge, with median home prices rising between 2008-2024 from \$391,040 to \$791,741 (per the State Legislative Analyst's Office) and a chronic shortage of affordable housing. According to Redfin, San Diego County's median home price reached \$880,000 in 2024, roughly 6.73 times the Area Median Income (AMI) of \$130,800. These challenges leave homeownership out of reach for most families. The rental market remains similarly strained, with low vacancy rates pushing rents higher, causing many households to spend over 30% of their income on housing. This growing cost burden leaves families vulnerable to overcrowding, displacement, and possibly homelessness.

To address the demand for housing, the State of California (State) has enacted legislation to support housing affordability and production at all income levels, emphasizing permit streamlining and expanded exemptions for housing within key areas. While various housing laws seek to incentivize and encourage housing development at all income levels, other State legislation is focused on

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addressing climate change through supporting reductions in greenhouse gas emissions (GHG), including reducing Vehicle Miles Traveled (VMT), by focusing growth largely within areas close to transit, job centers, goods, and services.

With State and local emphasis on growth occurring in areas near jobs, shops, and services, most new housing is occurring within incorporated cities where services and infrastructure are readily available. Regional goals for housing, established by the Regional Housing Needs Allocation (RHNA) for the Sixth Cycle, direct most growth to cities, with the unincorporated area responsible for producing 3.9% of the region's housing needs. The Board of Supervisors (Board) has indicated policy support for focusing housing in the unincorporated area within areas close to transit and infrastructure, per the September 28, 2022 (6) hearing in which the Board adopted a revised Transportation Study Guide. This included direction to conduct the Development Feasibility Analysis (DFA) to study development challenges and opportunities to implement smart growth strategies within VMT Efficient areas. Today's item will include the findings of the DFA and how staff can pursue smart growth strategies through existing efforts such as the Sustainable Land Use Framework.

2011 County of San Diego General Plan

On August 3, 2011 (1), the Board adopted the updated 2011 County of San Diego (County) General Plan (General Plan), which marked a significant shift to balancing development needs with environmental conservation, substantially reducing housing capacity within the unincorporated area and focusing development within certain unincorporated communities referred to as Villages. The General Plan is a smart growth plan that creates a more sustainable and efficient development pattern while balancing growth needs with environmental conservation and resource management. It establishes land use designations based on a Community Development Model, where the central cores of unincorporated communities (Villages) are surrounded by areas of lesser intensity, including "Semi-Rural" and "Rural Lands." This comprehensive revision, the first since the 1970s, addressed the County's evolving population, land use requirements, and environmental concerns. Key features of the updated General Plan included:

- Establishing the Community Development Model, emphasizing smart growth principles to create compact, efficient, and sustainable development patterns.
- Reducing planned housing capacity by approximately 46,000 units, with a focus on Village-centered growth.
- Shifting 20% of future development to western areas and concentrating 80% within the San Diego County Water Authority service area, prioritizing infrastructure-rich zones for growth.
- Reducing average daily VMT by an estimated 11% compared to the prior General Plan.
- Streamlining environmental review through the California Environmental Quality Act (CEQA) 15183 Exemption for General Plan consistent projects.

Housing Development in the Unincorporated Area

Since adopting the General Plan, most housing growth in the unincorporated area has occurred within the San Diego County Water Authority boundary, near the western edge of the

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unincorporated area, with over half of the new units built in Villages, though at a slower pace than anticipated. While state legislation has increased the number of Accessory Dwelling Units (ADUs) and facilitated small lot splits, the development of larger subdivisions is increasingly challenged by a combination of regulatory changes, including CEQA transportation review under Senate Bill (SB) 743, rising interest rates, supply-chain disruptions, escalating fire insurance premiums which impact feasibility and financing, and litigation risk.

Despite these shifts, the County is making progress toward its RHNA goal of 6,700 units for the eight-year housing cycle (2021-2029). According to the 2024 General Plan Annual Progress Report, the County has already met or is very close to meeting RHNA housing production goals for most affordability categories except very low-income, where only 24% of the goal has been achieved. As a State-designated 'Pro-housing Jurisdiction,' the County recognizes RHNA as a baseline and has advanced initiatives, such as developing the Housing Blueprint, exploring VMT mitigation options, developing a Sustainable Land Use Framework, conducting the DFA, and updating the County Zoning Ordinance to expand housing opportunities and address remaining gaps.

Development Feasibility Analysis

On February 9, 2022 (7), the Board directed staff to conduct an analysis to identify the factors influencing development, including opportunities and barriers, in the unincorporated communities of Buena Creek, Lakeside, Valle de Oro/Casa de Oro, and Spring Valley. These are areas that are suitable for sustainable growth due to their location near incorporated cities and transit, jobs, goods, and services (also referred to as VMT Efficient and Infill Areas). The goal of the DFA was to understand the factors affecting development, conduct an analysis of vacant or underutilized parcels, and determine if and how the County could achieve housing goals in these key areas, given the State's focus on areas prioritized for development. Some of the takeaways from the DFA are site-specific, but others are transferable and can help our understanding of development potential throughout the unincorporated area, particularly in VMT Efficient and Infill Areas.

Key takeaways from the DFA indicate that increasing density (number of housing units allowed per acre) may not result in an increase in housing production. Existing General Plan capacities (maximum densities) are not currently being used due to limited developable vacant land and unsupportive market and regulatory conditions that make building housing to existing General Plan densities challenging. Additionally, increasing density could raise land prices, exacerbating difficult market conditions for housing development. While the intent of the DFA was to identify parcel-specific barriers to development, the analysis found that there are broader issues that must be addressed to unlock housing development over the long term.

Various technical analyses were completed to understand barriers to housing in each DFA community (Attachment A). A water and sewer infrastructure analysis evaluated the capacity of existing infrastructure based on publicly available information and found that the study areas are generally well supported by existing adjacent water and sewer infrastructure. A market analysis, combined with financial proformas that measured economic feasibility of various development prototypes, showed challenges with developing profitable housing due to local market conditions,

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including land costs and lower local resident purchasing power. The market assessments showed that generally, townhomes are the most financially feasible across all four areas (which are typically built at a lower density than the maximum allowed in the General Plan). A land use analysis found that the DFA study areas are largely developed, and vacant land is limited, constraining development potential. The land use analysis found that vacant and underutilized parcels in the DFA areas could support a potential combined yield of 6,258 dwelling units under current land use designations, although substantial redevelopment is not expected in the near term due to the higher cost of redevelopment. Based on current market conditions, vacant parcels have the most development potential. Considering vacant parcels only, the potential for housing in DFA areas is reduced to only 560 dwelling units, less than 10% of the total dwelling units with development potential. This has important implications for achieving housing in other unincorporated areas that require redevelopment to build out.

The technical analyses were also supported by extensive public outreach and engagement, which provided additional context to ensure the key barriers to development- and opportunities to spur new housing production- aligned with the experiences of local housing developers and other stakeholders. Staff engaged with the community and industry professionals through a multi-part engagement plan to identify barriers and develop strategies for housing growth in these areas. The outreach and technical analyses revealed the following key barriers to housing development:

- Market conditions do not currently support development or redevelopment. Sales prices in DFA areas are substantially lower than current regional market values. To support local affordability, housing development projects can only support land prices below current market values.
- Developable land is limited.
- Regulations are complicated and the discretionary process can be costly and time-consuming for developers. VMT mitigation and standards are confusing and unclear.
- Current development regulations (e.g., zoning standards like setbacks, minimum lot sizes, height and building types) can prevent General Plan densities from being achieved.
- Housing that is attainable for current residents is a challenge.
- Coordination with external utility service providers (e.g., water, sewer) can be complex, and stormwater compliance can add significant costs to housing development.
- Amenities, such as parks, sidewalks, bike lanes, and job centers are lacking, creating barriers to housing development and hindering economic development and placemaking.

The DFA also provides eight key recommendations to address these barriers to housing. Implementation of these recommendations does not require Board direction because the recommendations either align with existing Board direction or existing Housing Element implementation actions. For a full description of each of these recommendations, please refer to Attachment A.

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1. *Prioritize Infrastructure Investments to Support Housing within DFA Communities:* Invest in sidewalks, bike lanes, parks, and libraries, and other needs, as well as community-scale roadway and stormwater improvements in DFA communities to increase community desirability, potentially incentivize demand for housing over time and can promote sustainable, affordable housing solutions. Each DFA community has unique needs for infrastructure investments.
2. *Advance Community Revitalization Through Workforce Development:* Leverage the County's Office of Economic Development and Government Affairs (EDGA) to encourage new employment opportunities to support economic vitality in DFA communities, to attract more investments, and improve market conditions for housing to increase purchasing power for local residents and uplift DFA communities.
3. *Expand Land Availability for Housing:* Expand the availability of land suitable for housing development by exploring updates to the Zoning Ordinance or other policies to facilitate housing on educational, religious, and institutional sites, in addition to surplus County-owned land.
4. *Amend County Regulations to Increase Certainty and Flexibility to Maximize Housing Development:* Update zoning regulations to ensure the current General Plan's densities can be achieved, which aligns with existing Housing Element implementation actions that reduce processing times and costs associated with the need for rezoning or other discretionary actions to achieve planned densities. This action also recommends clarifying County VMT regulations to increase certainty for housing development.
5. *Fast Track Housing Permitting and Boost Resources to Incentivize Housing:* Streamline efforts at all stages of County permitting to reduce developers' cost and time in obtaining housing entitlements, including exploring options to expand on existing self-certification programs and shifting more permits from discretionary to ministerial, which can encourage housing production in unincorporated areas. This recommendation includes near-term actions, such as bringing forward solutions for more housing streamlining as part of the Grading Ordinance and By-Right Housing project by 2027.
6. *Pursue Funding to Build More Affordable Housing:* Identify new funding streams to increase the number of deed-restricted affordable housing units on the market, which are not viable for developers without public investments. Adopting a local Inclusionary Housing Ordinance for the unincorporated area would support home production at a variety of affordability levels in addition to offering a new funding stream for overall deed-restricted units through in-lieu fees.
7. *Advocate for Legislation that Supports Housing:* Use the County Legislative Program to advocate for housing supportive legislation, including support for housing streamlining opportunities, funding for affordable housing, and other actions to address the housing crisis.

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8. *Explore Targeted Planning Efforts and Specific Plans in Buena Creek, Lakeside, and Spring Valley:* Pursue planning efforts, such as Specific Plans, to create a more cohesive community vision to support community-based placemaking and community identity. Concurrently explore funding mechanisms, such as grants, Enhanced Infrastructure Financing Districts (EIFDs), Community Facilities Districts (CFDs), Special Assessments, Landscaping and Lighting Maintenance Districts (LLMDs), or Community Development Block Grants (CDBGs) to support community investments.

To advance our implementation of these recommendations, staff are actively working on the following:

- Regulatory changes to unlock General Plan housing capacity by aligning the Zoning Ordinance and the General Plan. This includes a Zoning Ordinance amendment and other tools to add flexibility to development regulations.
- Identifying pathways for by-right housing in VMT Efficient and Infill Areas with the Grading Ordinance and By-Right Housing project.
- Evaluating solutions for VMT through mitigation options and considering VMT in the General Plan as part of the Sustainable Land Use Framework.
- Evaluating prioritization of Capital Improvement Plan funding for sidewalks, bike lanes and other mobility improvements such as landscaped parkways and trees that align with the County's Climate Action Plan (CAP) goals.
- To support targeted planning in Buena Creek, staff submitted a Smart Growth Incentive Program (SGIP) Cycle 6 grant application through SANDAG in spring 2025 to pursue funding for the creation of a Specific Plan in the Buena Creek area. This effort builds on DFA findings by proposing a comprehensive vision for land use, mobility, equity, and housing production around the Buena Creek Sprinter station. Staff have been informed that the application is being recommended to receive full funding.
- To support community revitalization in Casa de Oro, staff conducted a Business and Property Owner Survey to gauge the Casa de Oro community's level of interest in pursuing financing and maintenance district options to support improvements and revitalization along the Campo Road commercial corridor and surrounding areas. The survey was hosted online on the County's Engage HQ website from February 20, 2025, and closed on April 26, 2025; a total of 275 responses were received. Feedback from the survey indicated interest in and support for improvements, including public safety, civic spaces, and business services. Staff continues to work with the community to identify next steps.

These initiatives illustrate how DFA recommendations are being implemented to advance community revitalization, prioritize infrastructure investments, and support housing production.

Additional details about the key barriers to housing identified through the DFA outreach and analysis, and the recommendations for future actions can be found in Attachment A.

Housing & Land Use in the Unincorporated Area: Key Policy Considerations

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Staff plan to bring a number of items to the Board for direction in 2026 that have the potential to shape where and how future housing may be directed in the unincorporated area of the County. This housing discussion will consider key policy areas to help inform the Board's future direction on these items.

Key Geographies in the Unincorporated Area – *Where to focus new development*

One factor to be considered is where development should be incentivized (and disincentivized) in the unincorporated area, and whether the existing General Plan meets Board priorities. Recognizing the General Plan as the guiding land use document within unincorporated areas, three key geographies are discussed below that highlight opportunities and limitations associated with each focus area for housing growth. These geographies include:

- General Plan Villages
- Locations near incorporated cities and transit, jobs, goods, and services (VMT Efficient and Infill Areas)
- Smart Growth areas directed for further evaluation by the Board (VMT Efficient Areas outside of High and Very High Fire Hazard Severity Zones)

The General Plan Villages represent the implementation of the 2011 General Plan Community Development Model, which was intended to focus development in Villages and protect surrounding rural and semi-rural areas from sprawl. While Village locations include land both within and outside of VMT Efficient and Infill Areas, the Village concept was intended to ensure existing unincorporated area communities are supported by goods and services in close proximity to where people live.

The VMT Efficient and Infill Areas geography has been a key focus area, and previous Board direction has emphasized housing streamlining in these areas to align with climate and VMT reduction goals. For example, at the May 24, 2023 (12) Removing Barriers to Housing hearing, the Board directed staff to pursue housing streamlining in VMT Efficient and Infill Areas, including preparing a Program Environmental Impact Report (PEIR) to provide ministerial housing opportunities. Efforts are underway to pursue a pathway for ministerial housing for qualifying projects in VMT Efficient and Infill Areas. These areas are generally located close to the unincorporated area's western boundary and incorporated cities. This geography has also been affected by recent litigation that invalidated the County's determination that Infill Areas have a less than significant impact from VMT analysis and mitigation. While certain housing projects consistent with the General Plan can proceed due to CEQA streamlining that relies on the General Plan and its Level of Service analysis, the ruling underscores the changing nature of housing development in light of legal challenges. Investments in these areas can support community revitalization; however, market studies through the DFA indicate that substantial private investments in housing are unlikely in the near term. Despite difficult market conditions in these areas, efforts are underway to address key barriers identified through the DFA, recognizing that regulatory change combined with focused investments can be pursued to support long-term change.

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As part of adopting the County's CAP on September 11, 2024 (6), the Board directed staff to evaluate options for the implementation of smart growth concepts within VMT Efficient areas outside of High and Very High Fire Hazard Severity Zones. This area has the smallest footprint and limited developable land but is outside of areas mapped by the California Department of Forestry and Fire Protection as areas with High or Very High fire risk and is within areas mapped by the County as VMT Efficient (e.g., 15% below the current SANDAG regional average for residential VMT). Despite the limited developable land, there is opportunity for growth in this area. Further investments would be required, and market conditions would need time to adjust. Following Board direction to pursue the Smart Growth Alternative to encourage development and remove barriers to housing in these areas are being pursued. For example, the Grading and By-Right Housing effort is pursuing housing streamlining in VMT Efficient and Infill Areas; however, staff are looking at opportunities to provide the greatest incentives and remove the most barriers to housing within this geography. Incentivizing housing development and focusing investments in this area would prioritize sustainability and avoid high fire hazard severity zones. Additionally, the State has supported further streamlining opportunities within Census-defined Urban areas and the State-defined "Urban Infill" category. Staff is expanding the scope for the Grading and By-Right Housing program to consider those State streamlining areas to ensure that the County has the tools needed to facilitate housing streamlining in line with State laws and their defined Urban areas and the State-defined "Urban Infill" category. Further opportunities to explore and implement smart growth concepts can be pursued as part of the Sustainable Land Use Framework.

Housing Affordability in the Unincorporated Area- How to create fair and affordable housing

The DFA action steps emphasize exploring opportunities to support affordable housing development, including updating regulations and identifying a dedicated funding stream. Beyond where development can be directed, there are also programs being brought to the Board in 2026 that can shape the affordability of housing in the unincorporated area. Adoption of an Inclusionary Housing Ordinance can require an established amount of affordable housing in future development when certain criteria are met. This ordinance will also include an in-lieu fee option, which could serve as a funding source for the County's Innovative Housing Trust Fund to support the development of affordable housing in unincorporated areas. Several initiatives have the potential to expand attainable homeownership opportunities. The Board will also be considering an ordinance allowing for the separate sale of ADUs, offering a new, more accessible pathway to homeownership within existing neighborhoods. In 2027, staff will present a proposal to the Board for the adoption of a Senior & Starter Home Program. The program aims to incentivize and streamline the development of senior and assisted living facilities, as well as facilitate the creation of small lot subdivisions that offer affordable homeownership options, exceeding the requirements set by State law.

On July 1, 2021 (1), the Board adopted the County's Sixth Cycle General Plan Housing Element. The Housing Element details programs to facilitate housing development that contribute to the County's state-mandated RHNA and Affirmatively Furthering Fair Housing goals. These initiatives support housing through development streamlining and incentives, equitable investments and opportunities for communities, and housing resources. Housing initiatives, for

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example, such as the Density Bonus Program, strive to expand and publicize density bonus incentives to developers through resources as a key strategy to support affordable housing production. Updates on Planning & Development Services (PDS) housing initiatives and Housing Element implementation can be further reviewed in Attachment B.

Vehicle Miles Traveled and Housing in the Unincorporated Area- *Creating clarity around VMT*

The DFA actions emphasize the importance of increasing certainty and prioritizing infrastructure investments. In the coming months, staff will present the Board with options for a VMT mitigation program and will consider how policy considerations around VMT may affect housing. The Board's direction at this upcoming hearing will resolve questions around the future of a County VMT mitigation program and help developers have some added clarity in moving forward with their projects. A long-term strategy for developing a funding stream for infrastructure investments could be through the adoption of a local fee program for VMT mitigation. Likewise, the Board could elect not to continue to invest in local VMT mitigation solutions and see what tools are provided regionally and by the State. Staff will be returning in 2026 with information on the analysis results and options, including identifying land use and housing opportunities as part of a local program.

Affordable Housing Development Across the Region- *County investments in housing*

While the housing discussion is focused on key decision points for the County's housing policies and strategies in the unincorporated area, staff will highlight the County's housing accomplishments regionwide. Beyond streamlining and incentives within the unincorporated area, there are programs that unlock affordable housing opportunities through the San Diego region. The Health and Human Services Agency (HHSA), Housing and Community Development Services (HCDS) has grown into a key regional partner for the development of deed-restricted affordable housing.

Two key financing programs that have had significant regional impact include the Innovative Housing Trust Fund and the State's No Place Like Home (NPLH) Program. In 2017, the Innovative Housing Trust Fund (IHTF) was formed and started a period of unprecedented local investment for affordable housing. To date, allocations of local dollars to the IHTF have totaled \$112 million and supported 36 developments and 3,054 affordable housing units. Additionally, HCDS administers the NPLH Program which supports 21 developments with \$116 million dollars to create 444 permanent supportive housing units dedicated for individuals with serious mental illness who are experiencing homelessness or chronic homelessness throughout the region. These two funding sources combined with other State and Federal funds have supported nearly 6,000 new affordable units since 2017.

HCDS also uses County-owned land and project-based vouchers (PBV), which are rental assistance vouchers tied to specific properties, to contribute to the production of more affordable housing. Reimagining surplus County land, in coordination with the County Department of General Services (DGS), for redevelopment into affordable housing will yield 1,764 units on 11

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sites. On September 1, 2021 (1), the Board of Supervisors directed staff to increase the use of PBVs from the County Housing Authority's Section 8 program and since then staff have awarded 768 project-based vouchers.

These programs underscore how the County uses available funding, land, and rental assistance vouchers to support the production of more affordable housing, including new projects in unincorporated area communities.

Conclusion and Future Decision Points

Today's housing discussion will focus on how the key projects that will be presented to the Board in 2026 will allow for policy implementation affecting housing. Staff will discuss policy considerations for housing in the unincorporated area alongside the policy considerations for regional housing efforts to allow the Board to make holistic policy decisions about how the County should orient its housing strategy overall.

In 2026, staff will return with VMT mitigation program options. Board direction on these options will influence how and where VMT mitigation is applied and how those requirements may affect housing. Uncertainty around VMT policy is often raised as a key barrier to housing within unincorporated areas. Staff will bring forward options to address VMT, taking into account its potential effect on housing considering issues such as CEQA streamlining, increasing certainty and reducing legal risk, and costs associated with mitigation. In 2026, staff will present the Inclusionary Housing Ordinance (IHO) to the Board for consideration. The ordinance is a key component of the County's ongoing Housing Element implementation and is intended to advance the County's progress towards meeting its RHNA goals by increasing the production of affordable housing within the unincorporated area. As part of its review, the Board will consider key policy choices such as the percentage of affordable units required, the types of projects subject to the requirement, and whether to allow in-lieu fee options. Efforts are also underway to bring Sustainable Land Use Framework options to the Board. Options will include planning tools and mechanisms to incorporate sustainability and equity into plans and policies and ensure alignment with the latest policy and regulatory shifts at the State level, including around land use, VMT, and sustainability. The Board can consider whether to align these key issues as part of a focused General Plan update, which has opportunity to align with and support planning for the upcoming 2029 Housing Element cycle. Board direction on the Sustainable Land Use Framework will offer the opportunity for key Board priorities to be reflected and carried through into our plans and policies into the future.

Other regulatory changes are in process to support housing. An update to the Zoning Ordinance, as part of the Housing Unlocked project, will help to unlock housing capacity in the General Plan by providing more flexible development regulations such as setbacks, lot sizes, and housing types. This will provide flexibility to allow different housing typologies such as townhomes or multi-family homes that may be smaller and more attainable, and allow for homes to be built that are responsive to what the market is demanding. In 2027, the focus will be on regulatory changes to support streamlining processes for affordable and attainable housing and for housing in specific areas such as within VMT Efficient and Infill Areas. This includes programs for additional density

SUBJECT: HOUSING FORWARD: DISCUSSING HOUSING AND LAND USE
POLICIES IN THE UNINCORPORATED COUNTY, DEVELOPMENT
FEASIBILITY ANALYSIS FINDINGS, AND RELATED CEQA
EXEMPTION (DISTRICTS: ALL)

bonuses, expanded by-right housing options, and updates to various ordinances to remove barriers to housing production.

Collectively, these initiatives work to streamline policies and regulations to create more diverse and affordable housing options throughout the unincorporated area.

ENVIRONMENTAL STATEMENT

Receiving information on land use and housing policy considerations and the Development Feasibility Analysis (DFA) report are exempt from the California Environmental Quality Act (CEQA) because it is not a project as defined in section 15378 (b)(5) of the CEQA. The information being received today will not result in any direct or indirect changes to the environment. Implementation of future actions and recommendations of the DFA will be subject to analysis under CEQA.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed actions for this project support the County of San Diego's 2025-2030 Strategic Initiatives of Sustainability, Equity, and Community by providing housing data to foster transparency and supporting opportunities to remove barriers to housing.

Respectfully submitted,



DAHVIA LYNCH

Deputy Chief Administrative Officer

ATTACHMENTS

Note: Due to the size of the attachments, the documents are available online through the Clerk of the 'Board's website at www.sandiegocounty.gov/content/sdc/cob/bosa.html.

Attachment A – Development Feasibility Analysis Report

Attachment B – Planning & Development Services Housing Element Implementation Update