

ATTACHMENT A –  
SUMMARY OF OPPORTUNITIES

**Small Lot Subdivision Program**  
Reduce Regulatory Barriers

<b>Overview</b>
<b>Status</b>
Board direction needed
<b>Estimated Completion Timeline</b>
Both Opportunities can be completed concurrently with the Development Feasibility Analysis Programmatic Environmental Impact Report or other appropriate environmental analysis (Environmental Analysis).
<b>Outcomes</b>
Expand ownership opportunities by creating smaller homes that can be sold at lower price points.
<b>Opportunities for Board Consideration</b>
Staff recommends following opportunities be directed by the Board:
<ul style="list-style-type: none"> <li>• Expand the Small Lot Subdivision Program Beyond State Law</li> <li>• Streamline Individual Project Environmental Reviews</li> </ul>

**BACKGROUND**

A small lot subdivision involves dividing a multi-family zoned property into smaller lots for single-family homes. These homes can be attached or detached, share a common driveway, and have smaller setbacks or parking spaces. This type of development allows for small-scale, single-family homes, such as townhomes, often as infill projects. Small lot developments do not increase zoning density. They offer flexibility in minimum lot size requirements, allowing the same multifamily density but with small single-family homes. It helps provide housing at more attainable prices compared to larger suburban homes, creating home ownership opportunities for moderate and middle-income households. State law, Assembly Bill (AB) 803, allows for the development of small lot subdivision

projects. The bill requires these projects to be in urban areas or clusters, as defined by the U.S. Census Bureau. It applies to sites under 5 acres with densities of less than 30 units per acre. A total of 5,358 acres of the unincorporated County are eligible for this process under AB 803. Attachment D illustrates the locations within the unincorporated County where AB 803 applies.

**BENEFIT TO HOUSING AFFORDABILITY**

Small lot developments increase housing supply in expensive real estate markets, offering smaller and attainable homes. This makes it easier for first-time buyers and middle-income families to own homes. Additionally, best practices research indicates that small lot developments help diversify housing options, promote efficient land use, and reduce urban sprawl. By providing ownership opportunities at more affordable price points, small lot developments contribute to more stable and inclusive communities.

**BEST PRACTICES**

Staff conducted best practice research to evaluate how peer jurisdictions throughout the state have developed and manage small lot subdivision. Within San Diego County 3 of the 18 jurisdictions have adopted a small lot subdivision ordinance. These jurisdictions include Carlsbad, Escondido and San Diego. Additionally, staff evaluated small lot ordinances in Anaheim, Costa Mesa, Los Angeles, Oakland, and San Ana. While small lot projects can consist of various building types, some jurisdictions some jurisdictions limit the building types. For example, Carlsbad permits only single-family homes or attached twin-homes. In

contrast, other cities like Costa Mesa limit the number of attached units, allowing a maximum of four, while Los Angeles permits up to six units or 180 linear feet.

**EXPAND THE SMALL LOT SUBDIVISION PROGRAM**

To further promote the development of small lot subdivision projects, the Board may consider expanding the areas where these developments are allowed beyond what AB 803 allows. Specifically, expanding the areas where small lot developments are allowed to include all parcels within Vehicle Miles Traveled (VMT) Efficient and Infill areas with a density of 30 units per acre would extend the program to an additional 570 acres.

Staff can use the “Removing Barriers to Housing” Programmatic Environmental Impact Report (PEIR), as directed by the Board, to facilitate this expansion. This approach would increase opportunities for creating more attainable housing in the unincorporated County, expanding homeownership opportunities.

**STREAMLINE INDIVIDUAL PROJECT ENVIRONMENTAL REVIEWS**

To further promote small lot developments, the Board could direct staff to complete a PEIR for these projects. As part of the PEIR, comprehensive environmental studies would be conducted to analyze the impact of small lot developments. Future applicants could then use these studies, reducing the need for individual completion of environmental studies.

Preparing environmental documentation has been a significant concern for stakeholders due to the associated costs and time investments. The PEIR would address this

by allowing projects to utilize established environmental studies and mitigation measures, significantly reducing the time and costs applicants need to invest. Staff can utilize the “Removing Barriers to Housing” PEIR, as directed by the Board, to streamline the environmental review process for small lot developments located within VMT-Efficient and Infill areas.

**STAKEHOLDER ENGAGEMENT**

Stakeholder engagement included focus group meetings, virtual public webinars, stakeholder meetings, and attending Community Planning and Sponsor Group (CPSG) meetings.

Three virtual public webinars were held in February, March, and June of 2024 to present the goals and objectives of each program and provide an overview of the draft options

During meetings with Community Planning Groups and webinars, staff has gathered input from the public regarding the creation of a Small Lot Subdivision Ordinance at the local level. Some community members have expressed concerns about potential increases in population density and how this could impact the quality of life for current residents. Issues such as parking availability, traffic congestion, and strains on local resources, services, and infrastructure were highlighted as potential challenges. On the other hand, some stakeholders have shown support for small lot development, emphasizing the importance of expanding opportunities for homeownership. Additionally, community members have suggested that small lot developments should be strategically located near children's play areas, parks, and outdoor spaces to enhance the overall quality of life for the community. This feedback

underscores the importance of considering various factors when planning for small lot subdivisions to ensure a positive impact on the community.

**Senior Housing and Assisted Living Facilities**

Participation and Incentives

<b>Overview</b>
<b>Status</b>
Board direction needed
<b>Estimated Completion Timeline</b>
Opportunities can be completed concurrently with the Environmental Analysis and with a Zoning Ordinance Update (anticipated Summer 2026)
<b>Outcomes</b>
Expand availability of housing for older adults, as well as housing that allows people to age in place.
<b>Opportunities for Board Consideration</b>
Staff recommends following opportunities be directed by the Board:
<ul style="list-style-type: none"> <li>• Create a Senior Housing and Assisted Living Facilities Overlay Zone</li> <li>• Expand the County’s Density Bonus Program for Senior Housing Projects</li> <li>• Expand the County’s Density Bonus Program for Universal Design Projects</li> <li>• Expand the County’s Density Bonus Program for Visitability Projects</li> <li>• Enhance the County’s Surplus Land Process</li> </ul>

**BACKGROUND**

By 2030, one in every five Americans will be over age 65, and our nation will face a severe shortage in appropriate housing to meet their needs (Guzman, 2019). Housing that allows residents of all ages to age in place and easily visit family and neighbors will result in more inclusive and safe neighborhoods in San Diego County, especially for older adults.

**BENEFITS TO SENIOR HOUSING**

The proposed options would address many of the barriers to development of Senior Housing and Assisted Living facilities. Implementation of these options could result in more affordable and accessible housing for older adults.

**BEST PRACTICES**

Feedback from developers highlighted that the discretionary review process slows development timelines and adds to the cost of the project. An affordable senior housing overlay zone would speed up the review process and reduce the amount of time and money spent on projects. Additionally, seniors and senior advocates emphasized that older adults have unique needs, and that senior housing should be in areas with access to affordable and reliable transportation, services, and amenities. Developers also highlighted the cost-prohibitive nature of senior and assisted living developments. Granting additional incentives and density bonuses could lower the overall cost of the project and allow for housing for senior units to be built more cost efficiently by avoiding the additional time needed for discretionary processes such as General Plan Amendments.

Stakeholders highlighted the difficulties seniors encounter when retrofitting their homes with necessary accessibility modifications, especially when costs become prohibitive for those on fixed incomes.

Finally, developers highlighted that the cost of purchasing land is a significant barrier to senior affordable housing projects. They noted that if the County acquires property or identifies underutilized County-owned land and offers it to affordable housing

developers at no cost, it can significantly reduce these barriers.

**SENIOR AND ASSISTED LIVING OVERLAY ZONE**

An overlay zone is a regulatory tool that creates a layer on top of existing zoning designations. Overlay zones provide clear design standards and a streamlined process for property owners or developers to encourage the production of affordable housing. The goal of the overlay zone would be to streamline senior and assisted living housing projects.

Creating an overlay zone would encourage affordable, senior housing development in areas of the unincorporated County that meet specific location and site-specific criteria. It can be tailored to address the specific land use and environmental context of the unincorporated County. Additionally, other benefits include clear, practical design standards that cater specifically to senior housing, reduction of time and costs to permit affordable senior housing, and progress toward the County’s housing goals.

**SENIOR HOUSING DENSITY BONUS PROGRAM**

The State Density Bonus Law offers additional density to Senior Citizen Housing Developments even in the absence of deed-restricted affordable housing units. In cases where no affordable housing units are included, the Senior Citizen Housing Developments is eligible for a density bonus equivalent to 20% of the total number of senior housing units.

The County’s Zoning Ordinance includes a Senior Affordable Housing Density Bonus Program. However, with significant

amendments to the State Density Bonus Law over the years, the County’s Senior Affordable Housing Density Bonus Program is no longer offering greater incentives and density bonuses compared to the non-age-restricted affordable housing program. Expanding the County’s density bonus program through Options 2, 3, or 4 would require an update to the County’s Zoning Ordinance as well as environmental review through an Addendum to an Environmental Impact Report (EIR) or Supplemental EIR, depending on what the potential impacts of the density bonus program are determined to be.

**UNIVERSAL DESIGN DENSITY BONUS PROGRAM AND VISITABILITY DENSITY BONUS PROGRAM**

Universally designed housing is designed and built to be fully functional for all persons in all stages of life regardless of ability or mobility. Features of universal design include stepless entrances, interior and vertical circulation, and accessible amenities such as bathrooms, kitchens, storage areas. These include adaptable hardware, fixtures, and controls, as well as accessible windows and doors. To meet Visitability standards, a unit must have an entrance with no steps, doors with 32 inches of clear passage, and one wheelchair-accessible bathroom. Integrating these improvements during initial construction could mitigate financial strains for those in need, allow residents to age in place, and accommodate changes in physical ability and mobility.

## ENHANCE THE COUNTY'S SURPLUS LAND PROCESS

The County Department of General Services (DGS) oversees the acquisition of real property for County use and for managing and disposing of County-owned property that are no longer being used. In accordance with the Surplus Land Act (SLA) guidelines, County-owned properties available and identified as excess are first evaluated for a potential reuse as affordable housing. If found viable for that use, they are declared "Exempt Surplus" by the Board for the purpose of 100% affordable housing. Approximately 50% of the County's affordable housing developments under the existing Exempt Surplus process provide low-income housing for senior populations. To optimize the process of identifying Exempt Surplus land, Option 5 proposes directing County departments to annually identify underutilized land within each department and submit this information to DGS. DGS would then review these properties and include them in a list for potential internal reuse within the County or declare them as Exempt Surplus land for the development of affordable housing.

## STAKEHOLDER ENGAGEMENT

Stakeholder engagement included focus group meetings, virtual public webinars, stakeholder meetings, and attending Community Planning and Sponsor Group (CPSG) meetings.

Three virtual public webinars were held in February, March, and June of 2024 to present the goals and objectives of each program and provide an overview of the draft options.

## CITATIONS

United States Census Bureau. (2022). *2022 American Community Survey* [Data file]. Retrieved from <https://data.census.gov/>

Guzman, Shannon. "Multigenerational Housing on the Rise, Fueled by Economic and Social Changes." *AARP Policy Institute*, 17 June 2019, [www.aarp.org/pri/topics/livable-communities/housing/multigenerational-housing/](http://www.aarp.org/pri/topics/livable-communities/housing/multigenerational-housing/).

**Expanded By-Right Program**  
Participation and Incentives

<b>Overview</b>
<b>Status</b>
Board direction needed
<b>Estimated Completion Timeline</b>
Both Opportunities can be completed concurrently with the Environmental Analysis.
<b>Outcomes</b>
Provide a streamlined review process and issue building permit if a project meets all objective zoning and design standards. Reduce time and costs associated if project is within a site covered under existing Environmental Analysis scope.
<b>Opportunities for Board Consideration</b>
Staff recommends following opportunities be directed by the Board: <ul style="list-style-type: none"> <li>• Expand the County’s By-Right Program to all VMT Efficient and Infill RHNA sites.</li> <li>• Allow 100% affordable housing projects by-right within VMT Efficient and Infill areas.</li> </ul>

**BACKGROUND**

On July 14, 2021, the Board directed staff to evaluate the feasibility of creating a by-right process for additional Regional Housing Needs Allocation (RHNA) sites that do not qualify under AB 1397, and also allocate at least 20% of the units as deed-restricted affordable housing for lower-income families.

AB 1397, adopted by the State in 2017, required the County to allow projects that provide at least 20% of its units as deed-restricted affordable housing for lower-income families (up to 80% of the AMI) on RHNA sites listed in previous Housing Element site inventories to be processed by-right. The Site Inventory is a component of the Housing Element and includes a list

of sites with development capacity (i.e., density) to accommodate the County’s RHNA allocation. The RHNA represents the number of housing units categorized by income levels based on AMI that the County must plan for. The County’s Site Inventory includes a total of 236 sites, with 44 of them qualifying for the by-right process under AB 1397.

Additionally, on May 24, 2023, the Board directed staff to prepare a PEIR within VMT Efficient and Infill areas to help streamline housing development in these areas. Projects that require discretionary review must complete an environmental review of their impacts. The PEIR can streamline this process by providing a one-time analysis of the environmental impacts of the area and corresponding mitigation measures. As a result, projects consistent with the PEIR would require fewer additional analyses, saving applicants time and costs.

**BENEFIT TO HOUSING AFFORDABILITY**

By-right or ministerial approval process involves no discretionary review or hearings to obtain project approval. Under a by-right process a building permit can be issued if the project meets all objective zoning and design standards. The benefit to this process is that it provides a higher level of certainty for the community and developers since projects are required to meet established Objective Design and Planning Standards to be eligible for the by-right process. Since the adoption of the Housing Element, staff has developed application materials, updated the County’s website, and created mapping applications to facilitate development on these RHNA sites eligible for the by-right process.



**BEST PRACTICES**

To gain an understanding of how jurisdictions in California utilize By-Right/ministerial project approvals this best practice research looks at how the cities of Santa Rosa and San Francisco and Los Angeles County (LACO) have streamlined their approval process. Both Santa Rosa and San Francisco shaped their By-Right process to follow the SB-35 checklist but have not enacted a local ordinance. While Los Angeles County allows projects to follow the SB-35 process, the County implemented its own By-Right ordinance which allows developers the ability to choose which path to by-right they want for their project. LACO’s ordinance provides a valuable example on how jurisdictions can enact their own By-Right program to compliment State laws such as SB-35 while being mindful of local planning codes that may conflict with a By-Right process.

**EXPAND THE COUNTY’S BY-RIGHT PROGRAM TO ALL VMT EFFICIENT AND INFILL RHNA SITES**

Expand the County’s by-right housing development program to include RHNA sites not currently eligible under AB 1397, provided these sites are within VMT Efficient and Infill areas and allocate at least 20% of their units to affordable housing for lower income households. Of the 236 RHNA sites included in the Site Inventory, 192 are ineligible for the AB 1397 program. This expansion would provide a by-right process for an additional 100 RHNA Sites. Staff will also monitor and identify opportunities to facilitate by-right development on the remaining 92 RHNA sites outside VMT Efficient and Infill areas. Staff can utilize the “Removing Barriers to Housing” PEIR, as

directed by the Board, to complete the environmental review of these projects.

**ALLOW 100% AFFORDABLE HOUSING PROJECTS BY-RIGHT WITHIN VMT EFFICIENT AND INFILL AREAS**

Create a by-right process for all housing projects that provide 100% of their units as affordable for low-income households, provided they are located within VMT efficient and infill areas. To implement this, staff can utilize the “Removing Barriers to Housing” PEIR, as directed by the Board, to complete the environmental review of these projects.

**STAKEHOLDER ENGAGEMENT**

Stakeholder engagement included focus group meetings, virtual public webinars, stakeholder meetings, and attending Community Planning and Sponsor Group (CPSG) meetings.

Three virtual public webinars were held in February, March, and June of 2024 to present the goals and objectives of each program and provide an overview of the draft options

During outreach events, staff received feedback expressing support for developing a by-right program to facilitate affordable housing development throughout the unincorporated communities. Stakeholders noted that a streamlined approval and entitlement process is crucial for increasing the housing supply, which addresses the region’s housing shortage and affordability challenges. Public input also highlighted that projects that are 100% affordable housing and receive County funds or are built on County property are exempt from the Zoning Ordinance and discretionary review. However, similar projects without

County funding and not proposed on County land do not receive the same exemption and may be required to undergo the discretionary process. While the County cannot exempt 100% affordable housing projects that do not receive County funding or are proposed on County property, the PEIR can analyze the environmental impacts of these projects to allow them by-right.

**Accessory Dwelling Units (ADU)  
Ownership Opportunity Program  
Participation and Incentives**

<b>Overview</b>
<b>Status</b>
Board direction needed
<b>Estimated Completion Timeline</b>
The Zoning Ordinance Update to allow the separate sale of Accessory Dwelling Units (ADUs) can be completed by FY 25 – 26
<b>Outcomes</b>
Increase homeownership opportunities and introduce more housing supply into the existing market.
<b>Opportunity for Board Consideration</b>
Staff recommends following opportunities be directed by the Board: <ul style="list-style-type: none"> <li>• Create a Local Ordinance that Allows for the Separate Sale of ADUs with Specific Criteria Beyond AB 1033.</li> </ul>

**BACKGROUND**

An Accessory Dwelling Unit (ADU) is a structure someone can live in without relying on another structure for basic needs like bathrooms and kitchens. It can be detached (not connected to the primary house) or attached (connected to the primary house). An ADU must be on the same lot as the primary house. Currently, under County regulations ADUs can only be rented and the separate sale or ownership of an ADU is prohibited, unless the lot is subdivided, creating a separate lot for each dwelling. A new state law, AB 1033, allows for the sale of ADUs independent of the primary residences. This bill, adopted by the State in 2023, has been in effect since January 2024. As an opt-in legislation, the County has the option, but is not required, to adopt a local ordinance

allowing ADUs to be sold separately as condominiums. On March 13, 2024, the Board of Supervisors directed staff to evaluate the feasibility of implementing AB 1033. Through this direction, staff conducted best practice research and outreach to various stakeholders and community planning and sponsor group meetings. Under AB 1033, separate ownership of different portions of a single property is legally possible without subdivision. The law mandates the establishment of a homeowner's association (HOA) to manage dues for the maintenance of the property's exterior and shared spaces, such as driveways, pools, and common roofs. Condominium maps delineating the individual units and common areas would be recorded with the County Recorder's office. Additionally, if the primary residence is already part of an existing HOA, the HOA must approve the condominium map and allow both units to join the association.

**BENEFIT TO HOUSING AFFORDABILITY**

Enabling for the separate sale of ADUs can produce equity benefits for communities by reducing displacement and gentrification. There would be additional flexibility for homeowners, allowing family members and relatives to live nearby. If homeowners want to downsize but stay in their community, they have the option to sell the primary residence and move into the ADU. It would allow homeowners to increase equity and access that equity. The separate sale of ADUs also increases feasibility for developers by offering financing flexibility. Under the current guidelines from the Federal Housing Finance Agency (FHFA), a former ADU that is converted into a condominium will be treated as a condominium development of

less than 4 units, which face fewer requirements and are eligible for more funding opportunities.

Allowing for separate sale of ADUs could also effectively create naturally affordable homeownership opportunities. ADUs typically sell for about 40 to 60 percent of the price of the average single-family home, which is much more feasible for most first-time home buyers. Additionally, variances in shared spaces between ADUs would create a variety of price points and open opportunities for buyers of different income levels.

### **BEST PRACTICES**

The City of Seattle allows for the separate sale of ADU's under a condo structure and requires the creation of a HOA, which are typically small and have minimal expenses. A condo map is created once a declaration and condo map are recorded by a licensed surveyor. This process takes approximately 6-12 weeks which is quicker and less expansive when compared to subdividing. Creating condo map allows property owners to divide the property without going through a typical lot split which is subject to minimum lot size requirements. Homeowners can sell the original home and move into the ADU, if they would like to downsize and stay in the community. Additionally, the sale of ADUs allows for property owners to increase equity and access that equity.

### **CREATE A LOCAL ORDINANCE THAT ALLOWS FOR THE SEPARATE SALE OF ADUS WITH SPECIFIC CRITERIA BEYOND AB 1033**

Develop a local ordinance to allow for the separate sale of ADUs with specific criteria for the County. The Board can direct the

inclusion of any of the criteria below, which has been identified through public input:

- Require compliance with State law and include effective dispute resolution clauses.
- Require first right of offer to buyers that are owner occupants to further promote homeownership

### **STAKEHOLDER ENGAGEMENT**

Stakeholder engagement included focus group meetings, virtual public webinars, stakeholder meetings, and attending Community Planning and Sponsor Group (CPSG) meetings.

Three virtual public webinars were held in February, March, and June of 2024 to present the goals and objectives of each program and provide an overview of the draft options

During outreach events, staff received feedback from the public who raised concerns regarding the complexities of managing an HOA particularly one consisting of two units and increasing density especially in a rural area.

Stakeholders suggested implementing the program in a more urban setting. In support for the program, stakeholders expressed the importance of expanding homeownership opportunities through new building like allowing for the separate sale of ADU's.