



COUNTY OF SAN DIEGO

LAND USE AGENDA ITEM

BOARD OF SUPERVISORS

NORA VARGAS
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

VACANT
Fourth District

JIM DESMOND
Fifth District

DATE: May 24, 2023

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TO: Board of Supervisors

SUBJECT:

OPTIONS FOR REMOVING BARRIERS TO HOUSING AND FACILITATING THE COUNTY'S STATUS AS A PROHOUSING JURISDICTION AND EXEMPTION TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (DISTRICTS: ALL)

OVERVIEW

The state and region are in the midst of a housing crisis. The growing housing shortage has acutely impacted communities of color and low-to-moderate income families. In an effort to address the barriers and address the housing shortage, the Board of Supervisors (Board) directed a wide range of actions to assist development in unincorporated communities, from modernizing regulations and streamlining permitting processes to waiving fees for certain types of housing, establishing a regional funding source and creating a Housing Blueprint to explore everything that the County of San Diego (County) can do to facilitate the production and provision of housing to all people at all income levels.

On February 7, 2023 (20), the Board directed staff to return in 90 days with additional recommendations to remove barriers, add resources, and expedite processes in building housing in unincorporated communities, and to facilitate the County's status as a Pro-housing jurisdiction, including the feasibility of adopting policies similar to the City of San Diego's Executive Order 2023-1 (Attachment A). The City of San Diego's Executive Order directed a series of actions related to affordable housing developments, including the liberal granting of incentives and fee waivers, prioritizing, and expediting plan and permit reviews, adding resources, and providing technical assistance to customers.

In response to the Board's direction, staff across the County organization worked together to identify short, mid, and long-term actions that could facilitate and remove barriers to housing, as well as resources needed to implement these actions. In some cases, staff provided options regarding which housing types the action should apply to, such as affordable housing only, affordable housing and housing within Vehicle Miles Traveled (VMT) efficient or infill areas (areas exempt from VMT analysis or mitigation), or to all housing, including workforce and moderate-income housing. These options were provided particularly where it affected the level of cost or resources needed to implement the respective action like expediting building plan reviews

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or waiving fees. Staff also evaluated which of these measures may have further implications and where additional stakeholder engagement is recommended prior to the Board taking action.

Today's action is a request for the Board to provide direction on which of these measures to implement now and any that staff should further evaluate and engage with stakeholders on before returning to the Board with recommendations. Staff also requests that the Board allocate resources to implement any actions directed.

**RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER**

1. Find in accordance with Section 15061(b)(3) and 15378(b)(5) of the California Environmental Quality Act (CEQA) Guidelines that this action is exempt because it has no potential to result in either a direct physical change to the environment or a reasonably foreseeable indirect physical change to the environment.
2. Receive options for removing barriers to housing and provide direction on which actions to be implemented, which should involve further discussions with stakeholders, and which if any, should not be pursued.
3. If direction is provided to implement options with a one-time cost, in order to fund these one-time costs, authorize the Auditor and Controller to establish a fund balance commitment account within the General Fund and for the Office of Financial Planning to commit up to \$16,869,490 to the new fund balance commitment account based on unassigned General Fund, fund balance from the General Fund Reserve, which is currently below the minimum balance requirement, to promote the long-term fiscal health and stability of the County by aligning one-time expenditures with a one-time funding source.
(4 VOTES)
4. If direction is provided to implement options that have a cost, direct the Chief Administrative Officer to establish appropriations and staffing in the Fiscal Year 2023-24 Operational Plan by inclusion in the CAO Recommended Operational Plan Change Letter.
 - a. The funding source for one-time costs will be the fund balance commitment established in Recommendation 3;
 - b. The funding source for ongoing costs will be: 1) fee revenue from current fee ordinances and 2) existing General Purpose Revenue that will be redirected from planned programs/services in the County that have been identified in the CAO Recommended Operational Plan.
5. In accordance with Board Policy A-87, Competitive Procurement, approve and authorize the Director, Department of Purchasing and Contracting, to enter into negotiations with the California Association of Environmental Health Administrators (CAEHA) for Environmental Health professional services to assist with expediting the review and approval of onsite wastewater treatment system plans, and subject to successful negotiations and determination of a fair and reasonable price, award an agreement for

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CAEHA Staffing Services for up to 1 year and 4 option years through June 30, 2028, and an additional six months if needed, and to amend the contract as needed to reflect changes to services and funding, subject to the approval of the Director of Environmental Health and Quality.

6. Waive Board Policy B-29: Fees, Grants, Revenue Contracts - Department Responsibility for Cost Recovery for building permit fee waivers and grants for septic systems.

EQUITY IMPACT STATEMENT

Access to housing is important to all. Private property owners build the majority of housing, with the County playing a key role in the review and permitting of new housing. Housing affordability and attainability is a challenge many people have, with a greater burden placed on low-income and underserved communities. The items presented will remove barriers to housing, facilitating faster and increased housing production. Several items today are targeted at streamlining affordable housing as well as housing that is often more attainable.

SUSTAINABILITY IMPACT STATEMENT

These proposed actions are aligned with Sustainability Goal #2, assisting in providing just and equitable access to housing. These actions also promote the development of new housing in VMT Efficient Areas, which will result in lower carbon emissions, in alignment with Sustainability Goal #3, facilitating the transition to a green, carbon-free economy.

FISCAL IMPACT

Fiscal impact of these recommendations will vary based on the options directed by the Board, outlined in Tables 1.0, 2.0 and 3.0 (collectively, the Option Tables). Funds for this request are not included in the Fiscal Year (FY) 2023-24 CAO Recommended Operational Plan in Planning & Development Services (PDS), Department of Public Works (DPW), Department of Environmental Health & Quality (DEHQ) or the other departments identified in the Option Tables. Should the Board direct implementation of any of the options that have an associated cost or staffing, additional funding would be required beginning in FY 2023-24.

Available funding sources for these options include: 1) permit fee and/or deposit revenue collected pursuant to Board Policy B-29, *Fees, Grants, Revenue Contracts - Department Responsibility for Cost Recovery*; 2) existing General Purpose Revenue (GPR) or other ongoing revenue sources that will be redirected from other programs and will result in program impacts; and 3) one-time unassigned General Fund fund balance from the General Fund Reserve for one-time costs. The General Fund Reserve amount is currently below the minimum balance. In accordance with the San Diego County Code of Administrative Ordinances Section 113.1, *General Fund Balances and Reserves*, all appropriations of the General Fund Reserve below the minimum balance will require at least four votes of the Board.

If all short-term options are directed by the Board, estimated ongoing costs will total up to \$8,097,190 beginning in FY 2023-24, as detailed in Table 1.0. Of this amount, proposed funding

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sources include \$4,873,849 from existing ongoing GPR redirected from other programs and \$3,223,341 from permit/deposit revenue from customers. Estimated one-time costs in FY 2023-24 total \$10,464,490 which is proposed to be funded by General Fund, fund balance. Additional staff years total up to 45 in various departments as detailed in Table 1.0.

If all mid-term options are directed by the Board, no ongoing costs are anticipated. Estimated one-time costs total up to \$2,170,000 in FY 2023-24 as detailed in Table 2.0, and are proposed to be funded by General Fund, fund balance. There will be no additional staff years.

If all long-term options are directed by the Board, no ongoing costs are anticipated. Estimated one-time costs total up to \$4,235,000 in FY 2023-24, as detailed in Table 3.0 and are proposed to be funded by General Fund, fund balance. There will be no additional staff years.

If all options in total are directed by the Board, estimated ongoing costs will total \$8,097,190 beginning in FY 2023-24, with proposed funding sources including \$4,873,849 from existing ongoing GPR redirected from other programs and \$3,223,341 from permit/deposit revenue from customers. Estimated one-time costs will total \$16,869,490 and are proposed to be funded by General Fund, fund balance. There will be 45 additional staff years in various departments as detailed in the Option Tables.

If additional key areas are identified, staff would return to the Board for additional direction and a request for funding as needed.

A waiver of Board Policy B-29 would be required for building permit fee waivers and grants for septic systems since the proposed options do not cover all the operating costs. The total unrecovered cost per Board Policy B-29 is approximately \$7,900,000 for FY 2023-24 and would be funded with General Fund, fund balance, as proposed. Funding for unrecovered cost in all future years would need to be identified.

BUSINESS IMPACT STATEMENT

Removing barriers to housing will benefit the general public as well as the businesses that are part of the home development process, helping to create jobs and economic growth. Increased housing supply also benefits local businesses by having a more ample supply of housing for employees, which helps incentivize prospective candidates to select businesses in San Diego for employment and helps those already residing locally.

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

The state and region are in the midst of a housing crisis. The growing housing shortage has acutely impacted communities of color and low-to-moderate income families. In an effort to combat the barriers and address the housing shortage, the Board of Supervisors (Board) directed a wide range of actions to assist development in unincorporated communities, from modernizing regulations

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and streamlining permitting processes to waiving fees for certain types of housing, establishing a regional funding source and creating a Housing Blueprint to explore everything that the County of San Diego (County) can do to facilitate the production and provision of housing to all people at all income levels.

On February 7, 2023 (20), the Board directed staff to return in 90 days with recommendations to facilitate housing and the County's status as a Pro-housing jurisdiction. An interdepartmental group of County staff convened to come up with a comprehensive and innovative list of recommendations and other actions for consideration. This group included staff from: Planning & Development Services (PDS), Department of Public Works (DPW), Department of Environmental Health and Quality (DEHQ), County Fire Protection District (County Fire), Housing and Community Development Services (HCDS), Department of General Services (DGS), Department of Purchasing and Contracting (DPC), Economic Development and Government Affairs (EDGA) and County Counsel. The team identified short-, mid-, and long-term actions or measures that could be taken in response to the Board's direction, as well as the resources needed to implement these actions.

The short-term actions considered are similar to those in the City of San Diego's (City's) Executive Order (2023-1). However, staff are providing several options to expand how the County is going beyond the actions taken by the City. Specifically, the City's Executive Order applies only to 100% affordable housing in areas with infrastructure, whereas County staff are providing options to apply these measures beyond only affordable housing to additional categories of housing. The City's measures and proposed County options are explained further in the paragraphs below. Staff identified additional mid- and long-term measures that could further help facilitate housing production. Some of these more complex and longer-term measures may have additional implications or require additional infrastructure, and staff recommends further analysis and stakeholder engagement before the Board takes action.

City of San Diego Executive Order 2023-1

The City of San Diego's Executive Order directed a series of actions related to all forms of 100% affordable housing developments (emergency, transitional, permanent), including: liberally granting incentives and fee waivers, issuing building permits within five (5) business days for affordable housing and within two (2) business days for emergency shelters, prioritizing, streamlining, and expediting plan review by all applicable City departments to maximize City eligibility for federal and state funds, providing additional technical and regulatory assistance to customers, designating special staffing and resources, adding staff positions and filling vacancies, prioritizing contracts to address backlogs and expediting building and engineering plan reviews, and directing staff to issue guidelines to facilitate implementation of these orders.

Removing Barriers based on Types and Locations of Housing

The February 7, 2023 (20), Board direction pertained to general housing and was not specific to affordable housing like the City of San Diego's Executive Order. To provide the Board with options, staff explored measures and corresponding resources needed to facilitate different types of housing, such as affordable housing only, housing in VMT efficient and infill areas (areas

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exempt from VMT analysis or mitigation), or all housing, including workforce and middle-income housing. For example, streamlining or waiving fees just for affordable housing permits would require fewer resources than doing so for all housing permits. Staff also estimated resources needed for a third option between the first two, which is to expedite and facilitate affordable housing and housing units (single-family, multi-family, and senior/care units) in VMT efficient and infill areas. There are currently approximately 1,000 proposed housing units in various stages of the permit process within VMT efficient and infill areas that would be expedited if Option 2 is directed. Removing barriers to housing in these areas is expected to increase that number. The income levels that these units will support are anticipated to vary and be largely market-rate (affordable to families of moderate and/or above moderate income).

Saving Time and Providing Certainty for Housing

Staff focused on areas where the County could save time and provide greater certainty for housing developments, both market rate and affordable. While direct County costs for development, including the County's role in plan check through construction inspection are important, developers and building industry stakeholders have consistently reiterated that saving time and providing certainty in these processes provides the most value. This is because the longer it takes to obtain permits, the longer a developer typically pays for items such as carrying costs for land (fees, taxes, etc.). The longer it takes to obtain permits, the more risk is also introduced in terms of potential changes in financial markets, which can change the financial assumptions for a project. Certainty is important for similar reasons, so that a developer can accurately project the cost and schedule of a project and secure favorable financing. Certainty can be accomplished through limiting discretion, providing greater assurances that projects can be approved if they can meet objective or ministerial standards. The same principle applies to affordable housing; reducing time and providing certainty is extremely beneficial. However, the reasons for this are more often related to grants and other funding sources with strict timelines for construction.

Stakeholder Feedback

The various short-, mid-, and long-term actions presented below, along with the resources and recommendations associated with each, include initial stakeholder feedback. This stakeholder feedback is based on input received from meetings in March and April 2023 with representatives from the following groups: building industry, environmental stakeholders, labor, farming/agriculture sectors, and community planning and sponsor groups. Staff presented this information at standing meetings with these stakeholder groups, as well as addressed follow-up questions and had individual discussions when requested. Given the 90-day turnaround directed by the Board, the information presented was consistent with the high-level analysis that staff has conducted for these measures and additional stakeholder engagement is to be determined before proceeding with any of the more complex or long-term actions.

There was consensus among the stakeholder who supported faster review times and optimizing the efficiency of processes. Building and development industry representatives supported actions that streamlined the land development process, especially the idea of assured review times. They recognized the importance of complete and quality submittals by applicants being paramount to ensure review times. Environmental stakeholders noted the importance of incentivizing

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development in the right places, including near transit, and expressed concerns about any potential changes that could weaken CEQA. There was also feedback from the labor sector that potential changes to weaken CEQA would have negative impacts.

Prohousing Designation

On March 23, 2023, the County received notification from the State of California Department of Housing and Community Development (HCD), that the County has been designated a Prohousing Jurisdiction under the Prohousing Designation Program (Prohousing Program) for its commitment and diligence as a partner to the state in addressing the housing crisis. The State's Prohousing Program, created as part of the State's 2019-20 Budget Act (Act), provides a special designation to jurisdictions that are determined to be compliant with the State's Housing Element requirements and that have enacted "prohousing polices." These are policies that provide zoning and land use requirements that are favorable to housing development, accelerate housing production timeframes, reduce housing construction and development costs, and provide financial subsidies. This designation provides jurisdictions with incentives that take the form of additional points or other preferences in the scoring of applications for competitive funding programs administered by HCD. In addition, Prohousing designated jurisdictions are eligible for the Prohousing Incentive Pilot Program that rewards Prohousing communities at the forefront of addressing California's housing crisis with additional funding to accelerate affordable housing production. In order to maintain the Prohousing Designation, the County is required to continue to demonstrate progress in the implementation of its Sixth Cycle Housing Element within the 2021 to 2029 planning period and other County efforts to meet the state's Affirmatively Furthering Fair Housing (AFFH) law. More information on previously directed, planned or underway housing actions that will assist in removing barriers to housing production is provided in the Analysis and Recommendations section below, categorized by short-term, mid-term, and long-term actions.

ANALYSIS AND RECOMMENDATIONS

Short-Term Actions (0-12 months)

The short-term actions outlined largely aligned with the types of actions identified in the City of San Diego's Executive Order 2023-1, including guaranteed timelines for plan review, permitting housing of various kinds (i.e., specific timelines for affordable housing and emergency shelters), and an associated increase in staffing resources and contractor availability. Additionally, staff provides several options that go beyond the City Executive Order that are described below. Based on initial stakeholder input, staff did not receive concerns about moving forward with the recommended items. If directed to move forward, staff would have ongoing conversations with stakeholders on the details of implementation and refine the approach based on ongoing dialogue. The other implications of these measures are mostly related to the costs of adding staff or other resources to expedite services.

Previously Directed Actions Taken, Planned or Underway

Short-term actions previously directed and planned or underway prior to the February 7, 2023, Board of Supervisors (Board) direction include:

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- Streamlining of affordable housing plan reviews and permits per Board Policy A-68, Affordable Housing Expedited Review Process, which requires the County to expedite projects that include affordable housing for individuals with lower income;
- Enterprise-wide focus on filling vacancies, with emphasis on planners, engineers, and positions to support housing;
- New, expanded, and focused contracts for housing entitlement and plan reviews (focused planning, engineering, and building plan review and permit issuance);
- Housing Element Implementation Plan measures to remove and streamline regulations related to housing, including the following projects that are currently underway and will be brought to the Board:
 - Develop an Inclusionary Ordinance requiring affordable housing as part of market-rate housing developments,
 - Develop a By-Right Approval Program to reduce the time and cost associated with the land development review process for Regional Housing Needs Assessment (RHNA) sites in the unincorporated area that were identified in the current and previous RHNA housing cycle and exploring the feasibility of expanding the program to all remaining RHNA sites, more than half of which are within VMT Efficient and Infill areas 2),
 - Explore the feasibility of developing a Small Lot Subdivision Program to support a range of multi-family housing types,
 - Explore the feasibility of developing a program that would facilitate/remove barriers to senior and assisted living housing development,
 - Create objective design standards to replace subjective guidance for affordable housing projects that meet certain criteria, such as 10 percent of the total number of units as low-income units or units for households making below 80 percent of the area median income. Providing objective design standards is intended to assist in saving time by increasing the certainty of project design approval.
 - Review the development designators in the Zoning Ordinance and amend Code as necessary and appropriate to ensure that a range of housing types and densities can be achieved and that the designators facilitate development at the maximum density allowed by the General Plan. This project will commence after the Board's consideration and action on an Inclusionary Housing Ordinance.

Funds and additional staff to implement the Housing Element Implementation Plan were provided in previous budget years. The timeline for some of these items is driven by the CEQA process. Since adopting the Housing Element, the Board has directed additional items related to housing affordability and increasing housing production. These include developing the Housing Blueprint, preparing a Housing Construction Cost Analysis, exploring a Green Building Incentive program, and investigating Increasing the Region's Workforce Housing Opportunities. Adding new positions to the Long Range Planning (LRP) Division within PDS is recommended to keep up with the demands of this policy priority and is further discussed in recommended Short-Term Action 12 below. On December 13, 2022 (30), Board Policy A-68 was extended through December 31, 2029, which establishes an expedited review process for projects that provide affordable housing.

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The Board policy may be reviewed again for modification or deletion by the Board as part of the Inclusionary Housing Program.

Additional Short-Term Actions for Board Consideration

On February 7, 2023 (20), the Board directed staff to return in 90 days with additional recommendations to remove barriers, add resources, and expedite processes in building housing in unincorporated communities, and to facilitate the County's status as a Pro-housing jurisdiction, including the feasibility of adopting policies similar to the City of San Diego's Executive Order 2023-1. Additional short-term actions for the Board's consideration are outlined in the table below and described in the following section.

Recommended Short-Term Actions

Short-Term Action 1: Guaranteed Timelines for 100% Affordable Housing and Emergency Shelters

Saving time and providing certainty in the permitting and entitlement process reduces barriers and incentivizes applicants to build housing. This action would ensure the County is reviewing plans in a set amount of time, providing corrections to applicants to then make. Similarly, any technical studies required following the initial review would need to be prepared and submitted for review. Each project requires a new submittal for each phase of the plan review. A plan review for 100% Affordable Housing (deed restricted) projects must go through the environmental review process (discretionary), which would be reviewed by County staff within 30 working days (days) of a complete application. Each plan review would include the project application, proposed development plan, and any required environmental studies to address the California Environmental Quality Act (CEQA). The current initial plan review for 100% Affordable Housing is approximately 40 to 45 working days. The overall discretionary process varies depending on the type of project, level of environmental review, and amount of opposition or concern to an individual project. The majority of housing projects that go through the discretionary process take approximately a year or more. The plan check for a building permit would be completed within 5 days of a complete application. Similarly, the plan check for a building permit for an emergency shelter would be completed within 2 days of a complete application. Associated septic reviews would be completed within the same timelines for discretionary and building plan reviews. In recent years there have been very few 100% Affordable Housing projects and no emergency shelters processed. Based on the current volume of 100% Affordable Housing developments and Emergency Shelters, staff would prioritize these projects ahead of others to achieve these timelines. In order to achieve these timelines, applicants would be required to conduct a pre-application meeting to ensure the completeness of plans prior to submittal. Action 1 is equal to the City of San Diego Executive Order; however, it also incorporates an associated septic review. The review times stated in the above table would start once a complete application is submitted that meets the above requirements. The review time by the County is the first-round plan check time and does not include any time needed by the applicant to make corrections. While the current level of 100% Affordable Housing projects is low, departments expect that number to increase.

Resource Needs to Implement Action 1:

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PDS is requesting one additional staff member to serve as the Affordable Housing Liaison. This position of Land Use/Environmental Planner II would be the point of contact for potential applicants when they have questions about Affordable Housing projects regarding zoning and land use constraints, as well as help applicants navigate the process from start to finish, coordinating with various County departments, such as HCDS, Fire Authority, and Environmental Health and Quality. This liaison position would also facilitate the emergency shelter projects identified in Action 1. The cost for this position would be \$171,980 annually beginning in Fiscal Year 2023-24. The proposed funding source is existing General Purpose Revenue. If the number of 100% Affordable Housing projects or Emergency Shelters increases beyond the capacity of an additional staff member, departments will request additional resources in future years.

Short-Term Action 2: Guaranteed Timelines for Housing in VMT Efficient and Infill Areas

Similar to Action 1, this item guarantees timelines for the review of housing project applications and plans in the VMT Efficient and Infill Areas as defined currently. Projects must go through the environmental review process (discretionary), which would be reviewed by County staff within 30 days of a complete application, including projects that propose a General Plan Amendment (GPA). The current initial plan review for housing projects is approximately 45 to 60 days. The overall discretionary process, which requires review and a decision maker's approval, varies depending on the type of project, level of environmental review, and amount of opposition or concern to an individual project. The majority of housing projects that go through the discretionary process take approximately a year or more. The initial plan check for a building permit would be completed within 15 days of a complete application, as well as the initial septic review being completed within 15 days. Applicants would make any corrections following these reviews and resubmit when they are ready to move forward. To achieve these timelines, the applicant would need to have a professional certify they have reviewed the application and plans, deeming them compliant with County code as described in Action 5a below. Such a review serves as a quality check for staff to guarantee timely processing. Any residential tract projects, also known as subdivisions, would require a pre-application meeting in advance of submitting to guarantee these review times. Based on the current workload and resources, departments anticipate they can achieve these timelines once additional staffing is in place and trained or a combination of contract support and staffing is available, which is anticipated to be a short-term action of 6-9 months.

Through actions departments are already taking, and through proposed actions in this letter, departments are presently adding contract resources to assist with plan checks. If the departments are unable to achieve a guaranteed timeline, an explanation will be provided to the applicant for the circumstances. Currently, discretionary reviews require 60 days to complete the first-round review, building permits require 35 days to complete the first-round review, and septic requires 4 months to complete the first-round review. While departments have several efforts presently underway to reduce these review times, additional resources will be needed to achieve the guaranteed review times.

Resource Needs to Implement Action 2:

PDS is requesting a total of seven additional staff positions to achieve this action item including a Land Use/Environmental Planning Manager, Land Use/Environmental Planner III, two Assistant

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Engineers, and a Land Use Technician II. These positions would be doing plan reviews of land development projects to achieve faster review times. PDS is also requesting two support positions based on the additional front-line plan check positions noted above, including an additional Department Human Resources Officer and Principal Accountant. The Human Resources Officer will prioritize filling vacancies now and in the future, and support the ongoing mentoring and training of staff to ensure high-quality skills, as well as recruitment and retention of the workforce. This position would be utilized to implement other actions as well, as training and recruitment would span multiple efforts. The Principal Accountant is needed to support the additional project accounting and fiscal work associated with the land development projects.

These positions would cost a total of \$1,330,097 annually beginning in FY 2023-24. The proposed funding source is a combination of \$912,400 from customers based on fees and deposits anticipated in future years, and existing General Purpose Revenue of \$417,697. In the first year, PDS is requesting \$450,000 in a one-time allocation to offset up to speed time for staff in FY 2023-24 due to the high turnover in the Project Planning Division that processes discretionary permits. The proposed one-time funding source is the General Fund, fund balance.

DPW is requesting a total of two staff positions, an Administrative Analyst II to support contract administration work currently performed by Civil Engineers who can focus on technical functions and one additional Civil Engineer to create additional staff capacity for faster land development project plan reviews. These positions would cost a total of \$337,922 annually beginning in FY 2023-24. The proposed funding source for the Civil Engineer position would be offset by full cost recovery from charging developer deposits. The proposed funding source for the Administrative Analyst II position would be 50% offset by charges to developer deposits by Flood Control plan check staff, in the amount of \$67,599, with remaining \$67,600 funding being funded by existing appropriations in the Flood Control District. DPW is also requesting \$100,000 in a one-time allocation of General Fund, fund Balance to offset up to speed time for staff in FY 2023-24 due to the high turnover in Traffic Engineering.

DEHQ is requesting \$16,000 in ongoing General Purpose Revenue annually to fund staff overtime for an expedited review process for qualifying projects. If funding is not provided, customers with qualifying projects would be processed in the regular queue. Non-qualifying projects would have to bear the cost as part of their regular permit fees, and their applications would be processed later than those of VMT efficient and infill areas, which are given priority. DEHQ is also requesting an additional Environmental Health Technician to help with processing plan submittals and permits, customer communications, and other administrative changes. This position would cost \$100,000 annually beginning in FY 2023-24 and is proposed to be funded through full cost recovery based on fees from customers. Along with additional staffing, the expedited timelines and other staff efforts to facilitate housing may result in an increased need for legal services from County Counsel. If that happens, County Counsel may need to request additional staffing or funding in the future.

Short-Term Action 3: Guaranteed Timelines for Workforce Housing and All Other Housing

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Recognizing all housing helps to address the housing crisis, this item guarantees timelines for workforce housing (Action 3a) and all other housing (Action 3b). Similar to Action 2, a completeness certification would be required as discussed in Action 5a.

Each discretionary plan review would include the project application, proposed development plan, and any required environmental studies to address the California Environmental Quality Act (CEQA). Currently, discretionary reviews require 60 days to complete the first-round review, building permits require 35 days to complete the first-round review, and septic requires 4 months to complete the first-round review. While departments have several efforts presently underway to reduce these review times, additional resources will be needed to achieve the guaranteed review times. Any residential tract projects, also known as subdivisions, would require a pre-application meeting in advance of submitting, as these are larger and more complex projects, to guarantee these review times.

Staff recommends guaranteeing plan review and permitting timelines because these are highly valuable measures for applicants. This helps ensure the financial viability of projects and incentivizes developers to pursue different housing types, such as multi-family housing that is more likely to have a moderate price point and that might otherwise be considered too risky because it has a limited profit margin. Based on the current workload and resources, departments anticipate they can achieve these timelines once additional staffing is in place and trained or a combination of contract support and staffing. While the additional staff is brought on, the departments will prioritize affordable housing (a current practice per Board Policy A-68) and VMT-exempt housing projects, with impacts to the timeline for other projects (with the exception of renewable energy projects which the Board provided prior direction to expedite). The current initial plan review for renewable energy projects is approximately 40 to 60 working days, depending on the level of environmental review needed. The overall discretionary process varies depending on the type of project, level of environmental review, and amount of opposition or concern to an individual project. The majority of renewable energy projects that go through the discretionary process take approximately a year or more.

Short-Term Action 3a

Action 3a guarantees review times for workforce housing to promote natural, attainable housing within the unsubsidized market. Workforce housing avoids requiring deed restrictions, which can disincentivize development and increase costs. It typically maintains 80% to 120% AMI for unincorporated communities. Guaranteed review times for workforce housing would ensure discretionary reviews are completed within 30 days for each submittal. Building permit reviews would be completed within 15 days for each submittal, and septic reviews would be complete within 30 days for each submittal.

Short-Term Action 3b

Action 3b includes all housing outside of Actions 1, 2, and 3a. including projects that propose a General Plan Amendment and/or projects located within a High and/or Very High Fire Hazard Severity Zone. Discretionary permit submittals would be reviewed within 45 days. The plan

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check for a building permit submittal would be completed within 20 days of a complete application, as well as the septic review being completed within 30 days for each submittal.

Resource Needs to Implement Action 3a:

PDS is requesting two additional staff positions to achieve this action, including a Land Use / Environmental Planning Manager and Assistant Engineer. These positions would cost \$411,792 and be funded by customer fees and deposits paid for by applicants. PDS is requesting \$200,000 in one-time General Fund Fund Balance to offset up to speed time for staff in FY 2023-24, to allow for training and development of new staff.

DPW is requesting one additional position to achieve this action, a Civil Engineer. The position would cost \$202,723 and be funded by customer fees and deposits paid for by applicants.

DEHQ is requesting one Environmental Health Specialist to achieve the guaranteed timelines for workforce housing. This position would cost \$149,420 annually beginning in FY 2023-24 and is proposed to be funded by fees and deposits paid for by project applicants.

Resource Needs to Implement Action 3b:

PDS is requesting 3 additional staff positions to achieve this action, including a Land Use / Environmental Planner III and two Land Use Technician IIs. These positions would cost \$446,664 and be funded by customer fees and deposits. PDS is requesting \$225,000 in one-time General Fund fund balance to offset up to speed time for staff in FY2023-24, to allow for training and development of new staff.

DPW is requesting one additional position to achieve this action, a Civil Engineer. The position would cost \$202,723 and be funded by existing General Purpose Revenue.

DEHQ is requesting one Environmental Health Specialist IIs and one Environmental Health Technician to achieve the guaranteed timelines for all other housing projects. These positions would cost \$249,420 annually beginning in FY 2023-24 and are proposed to be funded by fees and deposits paid for by project applicants. Should Short-Term Action 2 be approved, DEHQ's staffing request needed to implement Action 3b would be one Environmental Health Specialist. This position would cost \$149,420 annually beginning in FY 2023-24 and are proposed to be funded by fees and deposits paid for by project applicants.

Along with additional staffing, the expedited timelines and other staff efforts to facilitate housing may result in an increased need for legal services from County Counsel. If that happens, County Counsel may need to request additional staffing or funding in the future.

Short-Term Action 4: Prioritization of Contracts Supporting Housing

This action prioritizes consultant contracts that are established to provide resources for the plan review, permitting, and inspection of privately initiated housing projects, including septic review, as well as procurements for long range policy updates related to housing. To accomplish this, the Department of Purchasing & Contracting (DPC) will require additional staff to prioritize housing-

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related procurements. The result will be faster procurements, enabling departments to have contract resources sooner and to advance housing-related projects faster. This includes support for more general and specialized contracts for housing entitlement and plan reviews through PDS and DPW. It also includes support for specialized, sole-source contracts to support septic plan review through DEHQ (see DEHQ process improvements below).

Resource Needs to Implement Action 4:

Two additional FTEs are requested by DPC, including a Senior Procurement Officer and a Procurement Officer, to prioritize and support contracts related to housing development. The two positions would have a cost of \$413,000 and be funded by available fund balance in the Purchasing & Contracting Internal Service Fund (ISF) for Fiscal Year 2023-24 and incorporated into the ISF rate thereafter.

Short-Term Action 5: Cross-Departmental Process Improvements

PDS, DPW, and DEHQ currently check housing and other development plans to ensure they comply with federal, state, and County requirements for health, safety, energy efficiency, structural integrity, emergency egress, and sustainability requirements. Project applications can range in complexity to demonstrate compliance with a variety of requirements. Further, plan sets are often prepared by a variety of specialists by the applicant team, who may not always coordinate on their respective work. While some applications and plan sets are prepared well, others can often be missing information or have conflicting information that is found during a plan check, adding to review time and creating additional cycles of review.

Short-Term Action 5a: Design Completeness Check:

This item would be required if the Board wishes to achieve guaranteed review times. This action would establish a Completeness Check process by qualified professionals to ensure they have done a quality check of the plans and any associated studies before submitting them. The type of professionals that would conduct a completeness check would vary by project type, and staff would work with stakeholders to finalize the professional classifications that would be best qualified to do the work to ensure complete and quality submittals result in a timely review by staff. Staff could also maintain a list of qualified professionals for customers to access. County staff will provide submittal requirements that exist today, along with standard corrections, to facilitate the completeness check by the third party. It is expected that improving the quality of an initial project application can greatly reduce the overall review and processing time by up to 50%. Staff will work with stakeholders as well as research practices by other agencies in developing this initiative, including defining the professionals that can certify completeness. In addition, staff will work with stakeholders to explore the option of creating a list of individuals that meet the qualifications and have worked on County projects for this certification.

Short-Term Action 5b: Expanded Standard Corrections:

This item would expand the existing standard corrections departments use today. Currently, some programs have existing standard corrections for plan reviews that cite regulatory code sections. This helps standardize corrections and make applying them to projects more efficient. These corrections are available on the County website and have been shared with stakeholder groups in

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the past. The proposed action would expand the creation of standard corrections for additional land development permit types and increase outreach via signage, links in emails, and stakeholder meetings, to customers to ensure they are using them while preparing submittals. This helps customers know what County plan reviewers will be looking for when reviewing plans.

Short-Term Action 5c: Technology & Data Enhancements:

Departments use several software applications in the review and management of privately initiated land development projects. These systems are used for both internal management but also provide external features for the public to access information, submit project applications, and monitor project status across departments. Staff identified various data and technology enhancements that could streamline the review process for land development projects, as well as increase transparency for project status. These include upgrades to IT, Geographic Information Systems (GIS), and reports that make data more readily available to support this process. Some of the projects include changes that would expedite septic plan reviews by an estimated one hour of review time per project, down from an average of five hours, equating to 600 staff hours per year, ongoing, that can be reallocated to reviewing additional plans once the projects have been developed and implemented. Another project will create an online format for right-of-way permit application processing. Other projects will modify the public-facing view of project workflows so that customers can have greater transparency on the status of projects in the review process. as they span multiple departments. Additional innovations would put more project applications online, decreasing the need for customers to visit a physical County office. Internal system changes will increase communication across departments during the review process, improving workload tracking and status to better allocate resources for customer submittals, as well as automated report development. Departments can initiate these projects upon Board direction and receipt of resources to implement, however some information system and technology projects can span multiple years to complete.

Resource Needs to Implement Action 5:

PDS, DPW, and DEHQ are each requesting \$400,000 in one-time funding for these projects for a total of \$1.2 million. The proposed funding source is General Fund, fund balance. PDS is requesting an additional Information Technology Analyst position to lead the implementation of additional innovations that will improve service delivery and transparency for customers at an annual cost of \$192,667 beginning in FY 2023-24. The proposed funding source is existing GPR. Additional staff requested in Actions 2 and 3 above will serve as Subject Matter Experts on projects, which will also help implement Action 5c. Should Actions 2 and 3 not be approved, two departments are requesting additional staff resources. DEHQ is requesting an Environmental Health Specialist II and one Environmental Health Technician to develop, design, and implement the enhancements proposed in Action 5c. These positions would cost \$249,420 annually beginning in FY 2023-24 and are proposed to be funded by fees and deposits from project applicants. Should the Short-Term Actions 2, 3a, or 3b or a combination of those actions be approved which result in the addition of one Environmental Health Specialist II and one Environmental Health Technician, DEHQ's total FTE staffing request needed to implement Action 5 will be met. Should only Short-Term Action 2 be approved, DEHQ is requesting an Environmental Health Specialist II to implement Action 5; if only Short-Term Action 3a is approved, DEHQ is requesting an

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Environmental Health Technician to implement Action 5. DPW is requesting an additional Information Technology Analyst to lead the implementation of additional innovations that will improve service delivery and transparency for customers at a cost of \$172,288 annually beginning in FY 2023-24 which is proposed to be funded by existing GPR.

Short-Term Action 6. Single Source Contracting Authority:

DEHQ is seeking an as-needed contract for septic plan review, similar to the as-needed contracts held by PDS and DPW. DEHQ regulatory program services are highly technical and specialized by nature. Training and onboarding new staff take 6-12 months in this program. It is difficult to find qualified staff and contract workers with these skills, which affects review timelines. DEHQ has tried a wide variety of strategies to gain access to people with this expertise and likewise other local governments implementing a septic plan review program are challenged with similar staffing needs. The California Association of Environmental Health Administrators (CAEHA) is a 501(c)(4) non-profit organization, which provides temporary staffing solutions for the Environmental Health profession, including septic program areas. Therefore, pursuant to Board Policy A-87 (Competitive Procurement) 1.D.3, this procurement is for services from a provider with unique knowledge, skill, or ability not available from other sources.

The request includes authorization to enter into an agreement with CAEHA for an estimated amount of up to \$450,000 annually over 5 years, for a total contract amount not to exceed \$2.25 million, for professional environmental health services on an as-needed basis to assist with expediting the review and approval of onsite wastewater treatment system plans. This work will directly support approving the construction of new homes in the unincorporated county or repairs to existing septic systems to ensure existing housing can be occupied. Assistance needed includes a variety of assignments related to Onsite Wastewater Treatment Systems (OWTS), such as regulatory inspections, plan review, plan and field consultations, and administrative work associated with regulatory functions. These Environmental Health services are mandated by the California Regional Water Quality Control Board (RWQCB) OWTS Policy, which requires local agencies to conform to requirements in the policy to protect groundwater through the implementation of a local program that regulates onsite wastewater treatment systems. To conform with the standards approved in the County's Local Area Management Program, approved by the RWQCB, DEHQ needs trained professionals to assist with these functions. A Registered Environment Health Specialist certification is preferred but not required. Experience reviewing and inspecting onsite wastewater treatment systems is required. CAEHA staffing services would provide County staff with experience in the assignments and the policies and standards associated with regulating these systems, ensuring that standardized requirements can be continued, and onboarding would be minimal. No additional resources are needed to implement this agreement which will be funded through customer fees.

Short-Term Action 7: Over-the-Counter Plan Review for Previously Approved Building Plans

Some home designers will periodically re-use a design they prepared for other customers, with minor modifications for future homes, based on site orientation and customer preferences. When they submit the plans for a building permit, the plans are reviewed without staff knowing the same, or a largely similar design has already been reviewed and approved by PDS in the past. This item

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would establish a faster review process for these types of projects, where the design professional would notify staff that they have a design previously approved by PDS, with minor modifications. If an applicant processed a building permit for a home in the last 5 years and has the approved plan set for the previous home, staff would conduct a review of the new project plans via an appointment over-the-counter, which means the customer visits the permit center for staff to compare a previously approved and permitted design against the updated design with minor modifications to approve it without submitting the plans to wait for review and approval. The over-the-counter appointment would allow the design professional and PDS plan checker to discuss any questions or corrections on the spot to avoid back and forth communication over time. This new process could save a customer 3-6 months from the standard building plan review process. No additional resources are needed to implement this action.

Short-Term Action 8: Permit Liaison / Concierge Support for Applicants

Land development in California can be complex, and applicant teams vary in terms of experience and familiarity with the land development process. Departments provide guidance documents, explain the permit process, and answer questions along the way; however, some projects may need an additional level of support, either due to complex project dynamics or a customer that may seek additional support at times. While departments already provide support as part of the plan check process, this action requests the addition of four positions dedicated to providing additional liaison support to customers upfront, as well as during a project review. These positions would proactively help customers identify when there is a need for greater assistance behind the scenes, bringing County team members together to assist customers that are looking for more support on complex project issues.

Resource Needs to Implement Action 8:

This action requests four additional staff resources in PDS including one Group Program Manager, two Permit Process Coordinators and a Land Use Technician II at an annual cost of \$772,041 beginning in FY 2023-24. The proposed funding source is existing GPR so as not increase the overhead of fees and deposits. While located in PDS Building Division, the Permit Process Coordinators and Land Use Technician II positions would help work across project issues that span multiple departments, including DPW, DEHQ, as well as the other departments involved in the land development process. The Group Program Manager would be located in PDS Project Planning and focus on discretionary and final engineering projects, which commonly have projects seeking management assistance on challenging project issues. In addition, this position will support staff that identifies areas to have higher-level management reach out to applicants to proactively engage on solutions early in the process. This position would also span multiple departments as they support customers.

Short-Term Action 9: Tools and Guidance for Applicants

The departments process thousands of permits each year. While there are several guidance documents on the County website and in our public facing offices, the departments lack guidance videos that can be useful means to convey information in a quick and accessible format. Staff would create short video series with tips and guidance for preparing complete and accurate plan sets to help limit the amount of review and corrections needed. These would be brief, informal,

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and educational videos featuring staff and posted on the County website and social media. PDS, DPW, and DEHQ, among other departments would participate in creating videos based on topics most likely to be areas of concern or confusion for customers on a variety of land development projects.

Resources Needed to Implement Action 9:

PDS is requesting \$100,000 in General Fund, fund balance in FY 2023-24 to have County departments assist in the professional development of videos to be posted on the County website.

Short-Term Action 10: Housing Legislation Outreach, Promotion, and Implementation

In response to the housing crisis, high demand for affordable housing, and a limited supply of available units, the State has continued to pass housing legislation to promote affordable housing development. More than 130 housing-related bills have been proposed in the current legislative cycle, focusing on increasing affordable housing, tenant protections, and reducing homelessness.

The number of housing-related bills proposed has been increasing year over year, indicating the urgency of the housing crisis in the state. These bills cover many issues, including zoning reform, streamlining the housing approval process, incentivizing affordable housing development, and tenant protections. This trend is expected to continue as the state addresses the housing crisis. Implementing and enforcing these laws at the local level are often challenging, and the current approach and dedicated resources were established only to track and monitor far fewer pieces of legislation.

Additional dedicated staff would provide the resources needed to understand better the implication of housing legislation on the planning and permitting process in the unincorporated area. This effort would include informing stakeholders of how pending and adopted legislation may be implemented in their community; adjusting current processes, procedures, and County ordinances to align with state housing laws; and promoting land development opportunities created by new housing laws. Two new positions focused on these tasks would ensure that stakeholders are informed as early in the process as possible and ensure that the laws are properly implemented, promoting affordable housing development and reducing homelessness in California. The positions would also ensure that housing issues remain a top priority and that County processes and regulations are continually updated and improved.

Resource Needs to Implement Action 10:

This action requests three Land Use/Environmental Planner III positions in PDS, at an annual cost of \$587,097 beginning in FY 2023-24 with a proposed funding source of existing GPR. While located in PDS, the positions would coordinate efforts with the Office of Economic Development and Government Affairs (EDGA) and the Policy, Outreach, and Data (POD) units in PDS and other departments with housing-related efforts. These three planner positions will include both operational expertise in the land development process, and experience with long range planning. This effort would include but may not be limited to policy analysis, program design, and development of implementation measures.

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Short-Term Action 11. Development Feasibility Analysis Liaisons (Economic Development)

On February 9, 2022 (7), the Board directed staff to return with options for a Sustainable Land Use Framework and a parcel-by-parcel analysis, renamed the Development Feasibility Analysis, both of which are designed to make sure that local policy objectives and community needs are addressed even as changes occur as a result of State direction like Senate Bill (SB) 743, which encourages infill development and a diversity of uses close to transit. The Development Feasibility Analysis will investigate real opportunities to develop housing in the VMT efficient and infill areas and the infrastructure investments the Board could make to encourage development in these areas. It will result in a report providing useful technical and financial data on vacant parcels that could reduce initial due diligence costs for developers and spark interest in locations that reveal higher development potential. It will also present potential opportunities for leadership and partnership strategies with other agencies or private entities that could play a pivotal role in building out these areas.

This effort is proposed to be initiated in four areas selected based on location, funding opportunities, leveraging other County efforts underway, and environmental justice considerations. The communities are Buena Creek (the unincorporated area's only community with rail service), the infill community of Valle De Oro/Casa De Oro, and the Environmental Justice communities of North El Cajon/Lakeside and Spring Valley.

Given the focus on encouraging development in the VMT efficient and infill areas and efforts to prepare the Development Feasibility Analysis, having dedicated planning staff serving as economic development liaisons in the initial four communities could be highly beneficial in supporting affordable housing development and housing production in general.

These staff members could also coordinate other economic development-related efforts if the passage of Assembly Bill (AB) 930 Reinvestment in Infrastructure for a Sustainable and Equitable California (RISE) Districts is successful. AB 930 would establish a program to reinvest in communities that have experienced disinvestment, environmental degradation, and social inequities. The program, as proposed, would provide funding for affordable housing, infrastructure improvements, and economic development projects. Additional staffing could oversee and implement RISE investments, manage projects, seek grant opportunities, engage with the community, and provide expertise in affordable housing, infrastructure, and economic development.

Resource Needs to Implement Action 11:

This action requests one Group Program Manager in EDGA at an annual cost of \$237,986 beginning in FY 2023-24 and five staff resources in PDS including one Planning Manager and four Land Use/Environmental Planner III positions at an annual cost of \$1,005,619 beginning in FY 2023-24. The proposed funding source is a total of \$1,243,605 in existing GPR. These staff members can work closely with local stakeholders, including community groups, developers, and County departments, to identify opportunities for affordable housing development and streamline the approval process.

Short-Term Action 12: Ensuring Implementation of the Housing Element

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On July 14, 2021 (1), the Board adopted an update to the Housing Element of their General Plan. This element outlines the County's goals, policies, and programs to meet its existing and future housing needs. The Housing Element includes an implementation plan, which must include strategies to remove governmental constraints on housing development and promote the preservation and improvement of existing housing stock. The County's Implementation Plan includes 60 programs, with 21 already being implemented and 39 to be developed during the 6th housing planning cycle (2021-2029). Local jurisdictions are legally bound to implement their housing element implementation plan once their respective legislative bodies adopt it. PDS, HCDS, and the DGS will implement the Housing Element Implementation Plan. Once developed, 17 of the programs will require Board consideration and approval. Since adopting the Housing Element, the Board has focused heavily on housing affordability and increasing housing production and directed additional items to aid in this effort. These include developing the Housing Blueprint, preparing a Housing Construction Cost Analysis, exploring a Green Building Incentive program, and investigating Increasing the Region's Workforce Housing Opportunities.

Adding new positions to the Long Range Planning (LRP) Division within PDS is recommended to keep up with the demands of this policy priority. The workload capacity analysis within the LRP Division indicates the need for additional staffing to support progress on implementing the Housing Element in consideration of shifting priorities and additional Board direction. This effort will provide a more balanced workload and support workforce development opportunities within the division to ensure the team is trained in new technologies, housing, sustainability, resiliency best practices, and housing legislation and policies. Adding new positions, including a Chief, Department Operations, a Group Program Manager, and several Land Use/Environmental Planner positions, would provide the skills and resources needed to continue developing goals and policies that ensure affordable housing and healthy communities. These positions would consolidate efforts, leverage synergies between the different housing-related work efforts within PDS, and maintain the capacity to be responsive to additional Board direction. While the Housing Element will continue to be implemented if these positions were not provided, the resources would not be aligned with the expanded work effort and future needs to ensure affordable housing and that communities remain healthy, thriving, and resilient.

Resource Needs to Implement Action 12:

This action requests six staff resources in PDS including one Chief, Department Operations, one Group Program Manager, two Land Use/Environmental Planner II, and two Land Use/Environmental Planner I positions at a total annual cost of \$1,097,751 beginning in FY 2023-24 with a proposed funding source of existing GPR.

Short-Term Action 13: Grading Ordinance Amendment

Unlike some jurisdictions, the County's Grading Ordinance is not ministerial or administrative in nature, with clear objective requirements. The County's Grading Ordinance can prompt additional discretionary review of projects, meaning environmental analysis under the California Environmental Quality Act (CEQA) based on any potential impacts that could occur from grading. This can help to protect resources like habitat and cultural resources like archaeology. It can also add time and cost to housing projects.

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A Grading Permit is currently ministerial for affordable housing developments streamlined under various State laws that supersede County ordinances. To remove barriers and streamline housing, the Board could consider revising the grading ordinance to make it ministerial for additional housing developments.

Staff could update the ordinance to allow by-right ministerial grading permits for by-right housing projects authorized by State law. This effort will include reviewing best practice requirements, updating the ordinance, and conducting an environmental review of the ordinance changes. This short-term phase will take approximately six to nine months to complete.

Resource Needs to Implement Action 13:

PDS is requesting \$150,000 in one time funding in Fiscal Year 2023-24 to complete this action. The proposed funding source is one-time General Fund fund balance. The funds would be used for consultant support and one-time staffing to update the ordinance.

Additional Stakeholder Engagement Recommended Before Action is Taken on the Following Items

Short-Term Action 14- Infrastructure Flexibility

Currently, the County General Plan and County Code require infrastructure requirements like sidewalks, street lights, road widening, and undergrounding of existing utilities like power poles and electrical lines with new housing projects at the developer's cost. In some cases, this infrastructure extends beyond what would now be required under State laws like CEQA as these laws have changed over time (for example, CEQA is now focused on reducing VMT rather than traffic impacts). If the Board requests that staff provide greater flexibility on infrastructure requirements, it may require changes to the County's General Plan and road standards and other associated ordinances and regulations, which could mean that developers would provide less infrastructure and improvements with housing projects.

This could be applied to just affordable housing or to any of the other options identified or selected by the Board. In some cases, this would be infrastructure that may not be required for public safety, like requiring a developer to build a sidewalk as part of the project in a community that does not currently have sidewalks and would not connect to any sidewalks in the community. Another example is requiring aboveground utilities like power poles to be undergrounded within a project, but existing utilities in the community are all aboveground. The downside of this approach is that it could produce less of that beneficial infrastructure in communities, or the County would need to create revenue streams or provide funding to make up for the loss of desirable infrastructure and constructing the infrastructure instead of the developer. Increasing flexibility on infrastructure requirements could reduce the cost of new housing but also have implications on the overall improvements and benefits provided by new housing that support communities. Based on these complexities, staff recommend further stakeholder engagement on this item to explore options. The additional stakeholder engagement could be incorporated into existing regular stakeholder engagements departments conduct, without additional staffing. If directed, this effort

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would likely require changes to the County General Plan Mobility Element (General Plan Amendment) and several County ordinances and regulations, including the Public and Private Road Standards, Centerline Ordinance, and Subdivision Ordinance. The costs for future General Plan Amendments as well as amendments to other County regulatory codes would be developed and presented for the Board's consideration based on the scope and stakeholder feedback for possible changes.

Short-Term Action 15: Complete Application Policy:

Staff could create and implement a department policy of accepting only complete applications. This would be paired with a checklist and additional technical guidance and tools to ensure that it is clear to applicants how to submit acceptable plans (i.e., video series noted above in Action 9). This could result in fewer applications being accepted initially and some customer challenges submitting projects on the front-end, as well as delays in starting housing permit applications. However, accepted plans would be expected to move quickly through the process, per the guaranteed timelines noted above, because staff would have all the information needed to review and approve the plans with limited questions or iterative review. The time savings are expected to ultimately outweigh customer frustrations in the process of adapting to this new practice. While development industry stakeholders generally support this approach if review timelines can be guaranteed, there is the potential that smaller projects may be impacted by applicants that have less technical skill in preparing plans and submitting project applications. Staff recommends further stakeholder engagement to explore the nuances of this change, as well as unintended consequences. No additional resources are needed to implement this action.

Fee Waiver Option for Board Consideration

Short-Term Action 16: Fee Waivers

The County currently offers building permit fee waivers for plan review and permitting of accessory dwelling units (ADU). Additional incentives could be offered, such as waiving plan check and permit fees for additional housing categories, including 100% affordable housing and housing in VMT efficient and infill areas. If the Board selects this action, staff will report back to the Board with the results of the fee waiver program.

Short-Term Option 16a: Building Permit Fee Waivers for 100% Affordable Housing

This option would waive the building permit and plan check fees for projects proposing 100% Affordable Housing for a period of 1 year or until the funding is expended.

Short-Term Option 16b: Building Permit Fee Waivers for Housing in VMT Efficient and Infill Areas.

This option would waive the building permit and plan check fees for housing proposed in VMT Efficient of Infill areas for a period of 1 year or until the funding is expended. If the Board selects this action, staff will report back to the Board with the results of the fee waiver program.

Resource Needs to Implement Action 16:

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To implement Action 16a, \$300,000 in one time funding is requested in Fiscal Year 2023-24 based on General Fund, fund balance. This would waive building permit and plan check fees for roughly 50 units. To implement Action 16b, \$2.0 million in one-time funding is requested in Fiscal Year 2023-24 based on General Fund, fund balance to waive building permit and plan check fees for roughly 300 units.

Short-Term Action 17: Financial Incentives: Grants for Septic Systems

A financial incentive primarily for single-family home development could be grants for Supplemental Treatment Systems (STS) that are required for septic systems being built where conditions, such as lot size or groundwater level, do not support a traditional system. These septic systems typically support single-family homes and can be costly, often in the \$50,000-\$100,000 range. This can be a barrier to single-family home development on properties that do not have access to municipal sewer systems. An STS grant program of \$5.6 million for the region is an option that would provide high value to individual homeowners. However, it would provide low value in terms of the number of units it would help to facilitate at a relatively high cost to the County. Due to STS being a costly option, DEHQ only permits an average of 75 supplemental system installations and repairs per year. The STS grant program of \$5.6 million is estimated to provide grants for one-year for approximately 75 individual homeowners.

Resource Needs to Implement Action 17:

To implement Action 17, \$5.6 million is requested to fund the grants for an estimated one-year period with a proposed funding source of one-time General Fund fund balance in Fiscal Year 2023-24. Additionally, DEHQ is requesting staff resources of one Administrative Analyst II position at a cost of \$139,490 beginning in FY 2023-24 to administer the one-year program, based on a proposed funding source of one-time General Fund fund balance for the first year, and in future years would be re-allocated to other DEHQ programs which will be funded by revenue from customer fees.

Table 1.0- Options for Short-Term Actions

Action	Time to Implement	Ongoing Cost	One-Time Cost
Recommended Actions			
1. Guaranteed Timelines: 100% Affordable Housing and Emergency Shelters -30 Days Discretionary Review Turnaround for Each Submittal, including CEQA Environmental Studies -5 Days Building Permit Plan Check -2 Days Building Permit Plan Check for Emergency Shelters -5 Days Septic Review This item is identical to the City of San Diego Executive Order, with the addition of a septic review.	<i>Immediate</i>	<i>\$171,980 PDS</i> <i>1 New FTE:</i> <i>Land Use / Environmental Planner II (1)</i> <i>Funding Source:</i> <i>Existing GPR</i>	<i>N/A</i>

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<p>2. And Guaranteed Timelines: VMT Efficient and Infill Area Housing -30 Days Discretionary Review Turnaround for Each Submittal, including CEQA Environmental Studies -15 Days Building Permit Plan Check -15 Days for Septic Review</p> <p>Requires selection of Option 5a for Completeness Check</p>	<p>6-12 months</p>	<p>\$912,400 PDS 5 New FTEs: <i>Land Use / Environmental Planning Manager (1)</i> <i>Assistant Engineer (2)</i> <i>Land Use Technician II (1)</i> <i>Land Use / Environmental Planner III (1)</i></p> <p><i>Funding Source:</i> Customer fees</p> <p>\$417,697 2 new FTEs: <i>Departmental Human Resources Officer (1)</i> <i>Principal Accountant (1)</i></p> <p><i>Funding Source:</i> Existing GPR</p> <p>\$270,322 DPW 1.5 New FTE: <i>Administrative Analyst II (.5)</i> <i>Civil Engineer (1)</i></p> <p><i>Funding Source:</i> Customer fees</p> <p>\$67,600 DPW 0.5 New FTE: <i>Administrative Analyst II (0.5)</i></p> <p><i>Funding Source:</i> Existing Flood Control District funding</p> <p>\$16,000 DEHQ <i>Expedite the process for qualified projects</i></p> <p><i>Funding Source:</i> Existing GPR</p> <p>\$100,000 DEHQ 1 New FTE – <i>Environmental Health Technician (1)</i></p> <p><i>Funding Source:</i> Customer fees</p>	<p>\$450,000 for PDS staffing <i>Funding Source:</i> Available one-time General Fund fund balance</p> <p>\$100,000 for DPW staffing <i>Funding Source:</i> Available one-time General Fund fund balance</p>
<p>3. Guaranteed Timelines: Workforce and All Other Housing</p>	<p>6-12 months</p>		

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<p>3a: Workforce Housing -30 Days Discretionary Review Turnaround for Each Submittal, including CEQA Environmental Studies -15 Days Building Permit Plan check -30 Days for Septic Review</p> <p>Requires selection of Option 5a for Completeness Check</p>		<p><i>3a: Workforce Housing</i></p> <p><i>\$411,792 PDS</i> <i>2 New FTEs:</i> <i>Land Use/Environmental Planning Manager (1)</i> <i>Assistant Engineer (1)</i></p> <p><i>Funding Source:</i> <i>Customer fees</i></p> <p><i>\$202,723 DPW</i> <i>1 New FTE:</i> <i>Civil Engineer (1)</i></p> <p><i>Funding Source:</i> <i>Customer fees</i></p> <p><i>\$149,420 DEHQ</i> <i>1 New FTEs:</i> <i>Environmental Health Specialist II (1)</i></p> <p><i>Funding Source:</i> <i>Customer fees</i></p>	<p><i>3a: Workforce Housing</i></p> <p><i>\$200,000 for PDS staffing</i> <i>Funding Source:</i> <i>Available one-time General Fund fund balance</i></p>
<p>3b: All Other Housing -45 Days Discretionary Review Turnaround for Each Submittal, including CEQA Environmental Studies -20 Days Building Permit Plan check -30 Days for Septic Review</p> <p>Requires selection of Option 5a for Completeness Check</p>		<p><i>3b: All Other Housing</i></p> <p><i>\$446,664 PDS</i> <i>3 New FTEs:</i> <i>Land Use/Environmental Planner III (1)</i> <i>Land Use Technician II (2)</i></p> <p><i>Funding Source:</i> <i>Customer fees</i></p> <p><i>\$202,723 DPW</i> <i>1 New FTE:</i> <i>Civil Engineer (1)</i></p> <p><i>Funding Source:</i> <i>Existing GPR</i></p> <p><i>\$249,420 DEHQ</i> <i>2 New FTEs:</i> <i>Environmental Health Specialist II (1)</i> <i>Environmental Health Technician I (1)</i></p> <p><i>Funding Source:</i> <i>Customer fees</i></p>	<p><i>3b: All Other Housing</i></p> <p><i>\$225,000 for PDS staffing</i> <i>Funding Source:</i> <i>Available one-time General Fund Fund Balance</i></p>
<p>4. Prioritization of Contracts to Support Housing</p>	<p>6 months</p>	<p><i>\$413,000 DPC</i> <i>2 New FTEs:</i></p>	<p>N/A</p>

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<p>This item is identical to the City of San Diego Executive Order.</p>		<p><i>Senior Procurement Contracting Officer (1) Procurement Contracting Officer (1)</i> <i>Funding Source: Available fund balance in Purchasing ISF for FY 2023-24, Purchasing ISF rate thereafter</i></p>	
<p>5. Process Improvements a. Completeness certification b. Expand standard corrections c. Technology & Data Enhancements</p>	<p><i>6 months</i> <i>6 months</i> <i>6-12 month</i></p>	<p><i>N/A</i> <i>N/A</i> <i>\$192,667 PDS</i> <i>1 New FTE:</i> <i>Information Technology Analyst (1)</i> <i>Funding Source:</i> <i>Existing GPR</i> <i>\$249,420 DEHQ</i> <i>2 New FTEs:</i> <i>Environmental Health Specialist II (1)</i> <i>Environmental Health Technician (1)</i> <i>Funding Source:</i> <i>Customer fees</i> <i>\$172,288 DPW</i> <i>1 New FTE:</i> <i>Information Technology Analyst (1)</i> <i>Funding Source:</i> <i>Existing GPR</i></p>	<p><i>\$1.2 million</i> <i>Funding Source: One-time General Fund fund Balance</i></p>
<p>6. DEHQ Temporary Help 1. Sole Source Contracting Authority</p>	<p><i>6 months</i></p>	<p><i>N/A</i></p>	
<p>7. Over-the-Counter Plan Review for Previously Approved Home Designs</p>	<p><i>6 months</i></p>	<p><i>N/A</i></p>	
<p>8. Permit Liaison / Concierge Support for Applicants</p>	<p><i>6 months</i></p>	<p><i>\$772,041 PDS</i> <i>4 New FTE: GPR</i> <i>Group Program Manager (1)</i> <i>Permit Process Coordinator (2)</i> <i>Land Use Technician II (1)</i> <i>Funding Source:</i> <i>Existing GPR</i></p>	

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9. Tools & Guidance for Applicants a. Submit Smart Video Series	6 months	N/A	\$100,000 to PDS Funding Source: Available one-time General Fund fund balance
10. Housing Legislation Outreach, Promotion, and Implementation	6-12 months	\$587,097 PDS 3 New FTE: Land Use / Environmental Planner III (3) Funding Source: Existing GPR	
11. Development Feasibility Analysis Liaisons (Economic Development)	6-12 months	\$1,005,619 PDS 5 New FTEs: Land Use/Environmental Planning Manager (1) Land Use/Environmental Planner III (4) Funding Source: Existing GPR \$237,986 EDGA 1 New FTE: Group Program Manager (1) Funding Source: Existing GPR	
12. Ensure Implementation of the Housing Element	6-12 months	\$1,097,751 PDS 6 New FTE: Chief, Departmental Operations (1) Group Program Manager (1) Land Use/Environmental Planner II (2) Land Use/Environmental Planner I (2) Funding Source: Existing GPR	
13. Grading Ordinance Update	6-9 months		\$150,000 to PDS Funding Source: Available one-time General Fund Fund Balance
Staff Recommendation: Total Time to Implement & Cost	6-12 months	\$8,097,190	\$2,425,000
Additional Stakeholder Engagement Recommended			
14. Flexibility for Infrastructure Requirements	6-12 months	TBD	
15. Completeness Policy for Applications	6 months	\$0	

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<i>For Consideration</i>			
16. Fee Waivers a. Affordable Housing – Building Permits b. VMT Efficient / Infill – Building Permits	6 months 6 months		\$300,000 to PDS \$2.0 million to PDS Funding Source: Available one-time General Fund fund balance
17. Financial Incentives: Grants for Supplemental Treatment Septic Systems	6 months	\$139,490 DEHQ 1 New FTE: Administrative Analyst II (1) Funding Source: Available one-time General Fund fund balance in the first year, supported by customer fees thereafter	\$5.6 million to DEHQ Funding Source: Available one-time General Fund fund balance
Total Time to Implement & Cost (Non-recommended items)	12 months	\$139,490	\$7,900,000

Mid-Term Actions (12 months -3 years)

Mid-term actions generally fall into the category of removing or reducing regulations on housing by changing County ordinances. These include actions such as revising the grading ordinance or creating objective plan review standards instead of requiring lengthier, less certain discretionary processes for housing entitlements. Mid-term actions also include creating more flexibility in the interpretation and application of zoning and general plan regulations to help streamline housing. Mid-term actions also include creating incentives to help offset private development costs for things like infrastructure which could include a County financial contribution.

Previously Directed Actions Planned or Underway

Mid-term actions previously directed and planned or underway include:

- Develop additional checklists for site plan applications. Site plans that can be waived or exempted are currently indicated with a zoning designation (i.e., requirements in the zoning box) for a design review. Staff will work with community members, Community Planning and Sponsor Groups, and industry stakeholders to obtain public input before developing new checklist exemptions. This project is currently underway, and a consultant has been retained to lead outreach and engagement efforts which will begin in mid-2023.
- An effort to prepare Development Feasibility Analysis for four communities (Buena Creek, Casa de Oro, Sweetwater, and Lakeside/North El Cajon) in VMT-exempt areas is underway. This effort will identify barriers to housing development, costs, and strategies to incentivize development in these areas. This project is in the procurement process to retain a consultant. The adoption of Short-Term Action 11 will assist in expediting this effort.

Additional Mid-Term Actions for Board Consideration

Based on the February 7, 2023, Board direction, additional mid-term actions for the Board's consideration are outlined in the table below and described in the following section.

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Mid-Term Action 1: Expanding Allowances for Tiny Homes on Wheels

Currently, County regulations allow for tiny homes on permitted permanent foundations. PDS staff have been working with stakeholders and identified potential opportunities to allow for tiny homes on wheels, provided that other health and safety provisions are met. While tiny homes on wheels have grown in numbers in recent years, most local jurisdictions do not have provisions to allow them to serve as a dwelling unit. Staff believes there is an opportunity to develop a program where tiny homes on wheels could be considered a dwelling unit and housing for unincorporated area communities. No additional resources are presently identified as being needed to implement the program. Some local ordinances may require amendments to allow the change. Staff anticipates implementation can be done in 12 months.

Mid-Term Action 2: Prepare Pre-Approved Home Plans

In 2019, the County prepared pre-approved accessory dwelling unit (ADU) plan sets for customers to use free of charge. There are currently six floor plans, ranging from 600 square feet to 1,200 square feet. These can save an estimated \$15,000 to \$17,000 in design fees, which helps to incentivize ADU development. Staff has seen a 40% increase in ADUs since that time, which can be attributed to changes in State law that make ADUs easier to build in more locations, as well as the actions taken by the County, including the pre-approved ADU plans and associated fee waiver program.

PDS is on track to issue roughly 1,000 building permits for new homes this year. Staff could take the same approach for single-family homes, done with ADUs. This would benefit primarily smaller homebuilders or individual homeowners by saving design costs of \$20,000 to \$25,000. Some site-specific changes may need to be made due to orientation and physical site considerations; however, staff could review most of those changes over the counter for plans that are largely pre-approved.

Resource Needs to Implement Action 2:

To implement this action, PDS is requesting \$100,000 in one time funding in FY 2023-24 and need 12 months to prepare the plans and develop a program to make them available for public use. Multiple floor plans and layouts could be completed as part of the project. The proposed funding source is General Fund fund balance.

Mid-Term Action 3: Information Technology Upgrades – Phase II

Departments believe there is a need for additional information technology upgrades as a mid-term action, in addition to the projects that will be implemented as part of the short-term actions. The projects will further improve public access and transparency for land development projects, providing greater proactive updates on projects as they progress through the land development process, alerting customers to key milestones along the way. In addition, improvements will put more services online to reduce the need for customers to visit County offices and improve internal communication among the departments involved in the land development process.

Resource Needs to Implement Action 3:

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To implement this action, PDS, DPW and DEHQ are each requesting \$400,000 for a total of \$1.2 million in FY 2023-24 based on General Fund, fund balance.

Additional Stakeholder Engagement Recommended Before Action is Taken on the Following Items

Mid-Term Action 4: Streamlining Modifications to Approved Projects

Currently, the County Zoning Ordinance allows approved projects to be modified by ten percent (10%) using a streamlined process referred to as a "minor deviation" as opposed to going through the full entitlement process all over again. In some cases, allowing for more than 10% change could create opportunities for more housing in existing projects. This would require an update to the County Zoning Ordinance. Depending on the level of stakeholder engagement and any environmental analysis, this effort could take one to two years. Resources needed to perform initial research of best practices, analysis of options to amend the Zoning Ordinance, stakeholder engagement, and return to the Board with a scope and request for additional funding would be in the range of \$275,000 to \$380,000 for consultant work.

Resource Needs to Implement Action 4:

To complete this action, PDS is requesting up to \$380,000 in FY 2023-24 based on General Fund fund balance.

Mid-Term Action 5: Waive Special Area Designators or Replace with Objective Design Standards

The County Zoning Ordinance includes Special Area Regulations that apply in areas considered to have a special interest or unusual value. This could include parcels in areas with known cultural resources that require additional analysis prior to determining if development can move forward or other attributes that require additional evaluation before they can be developed. A special letter designator is noted in the Zoning Ordinance to indicate the sites on which this applies. These areas include things like properties in town centers where additional design review is required (indicated by a "B" special area designator) or areas where there are sensitive, scenic, or historical resources and additional discretionary permitting is required to analyze a project's potential impacts more closely.

Special Area Designators require additional review and, typically, discretionary permits that require environmental analysis and public review. This could be the case for uses that would otherwise be permitted by right, such as emergency shelters, apartments, or some types of affordable housing.

Waiving Special Area Designators for some uses, such as housing, or specific types of housing, would streamline and provide more certainty for those housing developments. Other options could include removing the Special Area Designators or replacing them with objective design standards. These objective design standards are developed based on the environmental review conducted by the County and establish criteria on which a parcel may be developed without impacting resources on the site and meeting any community design guidelines that may apply.

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This change could have additional implications, such as reduced analysis of potential impacts on unique resources and reduced transparency to the public. Based on stakeholder input from previous unrelated efforts, community members have particular interests and concerns regarding any changes to the Special Area Designators and how that may affect their communities.

The County's 6th Cycle Housing Element, adopted in July 2021, includes programs (e.g., Program 3.1.1.D and 3.1.3.A) that involve reviewing the Zoning Ordinance's Development Designators, including Special Area Regulations to ensure that these regulations are not acting as barriers to housing development and projects are able to achieve the densities established in the General Plan. In addition, the Housing Element also includes Program 3.1.1.F, Objective Design Standards, which will review existing development standards and design guidelines to ensure they eliminate subjectivity and facilitate the development of housing in Census Designated Urban Areas, which are areas that encompass at least 5,000 people or at least 2,000 housing units. These programs will be initiated in Spring 2023 and are anticipated to take two to three years to complete. If staff is directed to proceed with the initial stakeholder engagement on this topic, efforts would overlap with the scope of the Housing Element programs.

Resource Needs to Implement Action 5:

If staff is directed to proceed with additional stakeholder engagement on this topic, depending on the amount of stakeholder engagement, this action could take more than two years. Resources needed to perform research of best practices, analysis of options to amend the Zoning Ordinance, stakeholder engagement and return to the Board with a scope and request for additional funding for implementation are in the range of \$420,000 to \$490,000 for consultant work conducting the planning and environmental analysis. Mid-term Action 4 is additional work beyond mid-term Action 3. The two changes are related and complimentary, building upon updating land use regulations, yet they can be separate projects if staff is directed.

To complete this action, PDS is requesting up to \$490,000 in FY 2023-24 based on General Fund fund balance.

Additional mid-term actions for the Board's consideration are outlined in the table below and described in the following section.

Table 2.0- Options for Mid-Term Actions

Action	Time to Implement	Ongoing Cost	One-Time Cost
Recommended Actions			
1. Tiny Homes on Wheels	<i>12 months</i>	<i>N/A</i>	<i>N/A</i>
2. Prepare Pre-Approved Home Plans	<i>12 months</i>		<i>\$100,000 to PDS</i> <i>Funding Source: One-time General Fund fund balance</i>
3. Information Technology Upgrades – Phase II	<i>24 months</i>	<i>N/A</i>	<i>\$1.2 million</i>

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			<i>Funding Source: One-time General Fund fund balance</i>
Staff Recommendation: Total Time to Implement & Cost		\$ —	\$1,300,000
<i>Additional Stakeholder Engagement Recommended</i>			
4. Streamlining Modifications to Approved Projects	<i>24 months</i>	<i>N/A</i>	<i>Up to \$380,000 to PDS Funding Source: One-time General Fund fund balance</i>
5. Waive Special Area Designators or Replace with Objective Design Standards	<i>24-36 months</i>	<i>N/A</i>	<i>Up to \$490,000 to PDS Funding Source: One-time General Fund fund balance</i>
Total Time to Implement & Cost (Non-recommended items)	<i>24-48 months</i>	\$ —	<i>\$870,000</i>

Long-Term Actions (3-5 years)

Staff also identified long-term actions that could be taken to significantly reduce regulations applied to housing projects, but that may also present legal or other challenges or have potential implications that warrant additional evaluation and stakeholder engagement. These generally fall into the arena of changing County or State ordinances, regulations, or practices to reduce the level of review that County staff perform on proposed housing projects, reducing the amount of time, cost, and risk associated with these projects. The unintended consequences of some of these actions could be a reduced level of information on some projects (i.e., environmental studies or consultant qualification information) as well as less transparency for some of these activities.

Previously Directed Actions Planned or Underway

Long-term actions previously directed and planned or underway include:

- Whereas, the Development Feasibility Analysis will involve a deep dive into specific areas to identify potential development potential, identify what the barriers are, and what it takes from the County (i.e., infrastructure, investment, partnerships) to support sustainable development. The Sustainable Land Use Framework will look at the unincorporated area as a whole to identify ways that we can build in a sustainable way in the future. The Framework will provide a comprehensive approach that will consider land use, environmental, social, and economic factors to ensure that resources are available to promote and support thriving and resilient communities well into the future. This effort to date has included the identification of an initial set of Sustainability Principles that will be further refined/or expanded with the next phase of analysis and public engagement.
- In State defined High Opportunity Areas, develop and implement incentives to increase housing choices and affordability (including duplex, triplex, multi-family, ADU, transitional, and supportive housing). The State defines High Opportunity Areas as geographic areas with high access to quality schools, jobs, transportation, and other resources that support economic mobility and well-being. This effort will facilitate multi-family housing in areas of opportunity by promoting development with by-right approvals

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and informing communities about different housing typologies and additional housing opportunities, incentives, and concessions. Incentives and tools, including permit streamlining, reduced fees, and other zoning tools, have been implemented and are currently underway. Expanding incentives in high-opportunity areas is a focus of this effort and will be combined with other efforts identified in the Housing Element Implementation Plan. Efforts to expedite this project would require a reprioritization of the housing element implementation plan.

Additional Actions for Board Consideration

Based on the February 7, 2023, Board direction, additional long-term actions for the Board's consideration are outlined in the table below and described in the following section.

Long-Term Action 1: Prepare a Programmatic Environmental Impact Report (PEIR) for Key Areas

CEQA is the law that requires applicants and developers to perform environmental studies on projects that could have an impact on the environment, including on things like air quality, biological (plant and animal life) and cultural resources, and greenhouse gas emissions related to climate change. CEQA is designed to provide transparent data to the public regarding the potential environmental impacts of a project in these and other areas.

Completing the studies and public reviews required by CEQA can also present time, cost and risk implications for developers that can be barriers to housing. One step that the County could take to reduce these barriers would be to conduct the needed environmental studies in key areas up front so that future development can rely on those studies and approvals with limited additional work. Specifically, staff could prepare what is known as a Programmatic Environmental Impact Report (PEIR) in areas that are suitable for housing based on location to roads and existing communities, yet may have environmental hurdles, such as in some VMT Efficient or Infill Areas. A PEIR would be for areas that contain many parcels and could help to streamline housing and potentially other uses (i.e., infrastructure, supporting commercial uses) on numerous properties, not on just one site like a typical EIR for a single development project.

There is an opportunity to build on the Development Feasibility Analyses (DFA) directed by the Board to identify where a PEIR should be done to create the best opportunities for housing. The DFAs will analyze four (4) initial VMT exempt areas to identify barriers to development and how the County may be able to address those. Conducting a PEIR for larger areas so developers do not have to perform them for each project could be a key step to incentivize housing in some locations. Because each PEIR could cost between \$2,500,000 and \$3,000,000 and take up to 3 years to complete and would be based on the adopted land use densities and zoning designations, staff recommends receiving the results of the DFAs in 2024 to identify where potential future land use and zoning changes and investments in PEIRs would provide the most benefit. Stakeholder engagement and public input would be integral to the preparation of any future PEIRs.

Resource Needs to Implement Action 1:

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To complete this action, PDS is requesting up to \$3.0 million in FY 2023-24 based on one-time General Fund fund balance.

Long-Term Action 2: Prepare Land Surveys

Land development involves the use of land surveys that outlines property boundaries. These surveys, in part, rely on survey monuments which are physical indicators such as pins in the ground, denoting property line locations. Over time these survey monuments can be lost in the physical environment. When this happens, there can be an additional cost for someone developing land to hire a surveyor to place new survey monuments before development can occur. DPW has periodically implemented projects replacing survey monuments in unincorporated communities that have had a history of missing or hard to locate survey monuments that are no longer readily usable and identifiable. To remove additional barriers for housing, DPW could focus this work in areas the County is interested in seeing more housing. There is an existing, limited, trust fund known as the Survey Monument Preservation Fund, which can be used to fund this work. No additional funding is requested to implement this action.

Additional Stakeholder Engagement Recommended Before Action is Taken

Long-Term Action 3: Revise the County CEQA Process

CEQA is designed to provide data and transparency to the public and can have the result of ensuring environmental mitigation or avoiding impacts. It can also add time, cost, and risk to development projects.

The County is the "Lead Agency" for CEQA as it relates to private projects. That means the County is the public agency that has the primary responsibility for carrying out the approved project because the County has discretionary authority over the proposed project (approves or denies projects, issues permit). This does not mean the County is responsible for building the project, but rather ensuring it is studied and carried out in line with CEQA and any requirements established during the CEQA review and related discretionary processes.

Currently, staff works with consultants to review environmental studies prepared by private developers and determine whether those studies are adequate under CEQA. An alternative approach that could streamline housing would be to allow developers greater flexibility to prepare environmental studies and documents with less County oversight and to shift more of the risk to the private developer in the event that these projects are litigated. This could streamline housing in theory. However, unintended consequences could be more impacts on the environment or increased delay and risk to housing projects due to increased litigation. As a result, this action is not recommended at this time. If the Board wishes for the item to move forward, additional stakeholder engagement would be required to develop a potential project scope, along with a cost estimate, funding source and timeline. No additional resources are requested at this time.

Long-Term Action 4: Advocate for CEQA State Law Reforms

There are a variety of State laws that provide public benefits such as transparency and fair competition. These same laws may also act as barriers to housing when applied broadly without

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consideration of opportunities to streamline with little or no negative consequences. The County could advocate at the State level for specific CEQA reforms to streamline some or all housing, or housing in certain areas, while still supporting CEQA's intent and the County's commitments to sustainability, stakeholder engagement and equity. Staff would need to identify specific opportunities for streamlining that would be the focus of these efforts. For example, staff could recommend the State add CEQA exemptions for affordable housing projects within unincorporated areas or housing projects located within VMT Efficient or Infill Areas. As a result, this action is not recommended at this time. If the Board wishes for the item to move forward, additional stakeholder engagement would be required to develop a potential project scope, along with a cost estimate and timeline. If the Board wishes for the item to move forward, additional stakeholder engagement would be required to develop a potential project scope, along with a cost estimate, funding source and timeline. No additional resources are requested at this time.

Long-Term Action 5: Financial Incentives: Establish an Infrastructure Fund to Support Development

Similar to "Long-Term Action 1, Programmatic EIRs" above, the DFAs that staff will be working with experts to conduct will identify barriers to housing in key VMT exempt areas. One likely barrier is a lack of infrastructure. This could include a lack of sewer service, roads, bridges, or other infrastructure. In cases where sufficient major infrastructure exists, there may be a need for multimodal infrastructure like sidewalks, bike lanes, or trails to improve mobility and equity in those communities as they build out.

The DFAs will help to determine what type of infrastructure may be needed where, at what cost, and possible roles for the County in helping provide that infrastructure. The Board could allocate seed funds or direct staff to evaluate potential funding sources for infrastructure following the DFA results in 2024, or prior to the completion of the DFAs.

These funds could help incentivize development in desirable locations and reduce the costs of building housing. They would also provide beneficial infrastructure to support local communities that are planned for future growth. As a result, this action is not recommended at this time. If the Board wishes for the item to move forward, additional stakeholder engagement would be required to develop a potential project scope, along with a cost estimate, funding source and timeline. No additional resources are requested at this time.

Long-Term Action 6: Revise the Grading Ordinance

This action would direct staff to prepare additional updates to the County Grading Ordinance to allow more permits to be issued ministerially rather than requiring individual discretionary reviews.

Long-Term Action 6a. Within VMT Efficient and Infill areas

This action would direct staff to update the Grading Ordinance and prepare a checklist to allow ministerial grading permits within VMT Efficient Areas and Infill Areas if they meet certain criteria (Option 6.a). Staff will use existing funds available for the Grading Ordinance Part II

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update that was directed by the Board on May 19, 2021 (6), and no additional funds for this update will be needed.

Long-Term Action 6b. Agricultural and Residential areas

This action will add to the existing comprehensive Part II Grading Ordinance effort and will address agricultural and residential clearing and grading, including reviewing requirements, thresholds, and permit processes. Staff will explore ministerial grading permits within the unincorporated area (outside of VMT Efficient and Infill Areas), depending on if they meet certain criteria. This effort will take approximately three to four years to complete and will be evaluated as part of the EIR required for the grading ordinance update. This effort will include reviewing best practices, analyzing environmental impacts under CEQA, outreach to the public and stakeholders, drafting amended ordinance language, and returning to the Board for adoption. Staff will use existing funds available for the Grading Ordinance Part II update that was directed by the Board on May 19, 2021 (6), and no additional funds for this update will be needed.

As noted, this could have environmental or other implications that are of interest to stakeholders. Environmental stakeholders shared that they are concerned with any changes that would reduce or diminish the environmental review of projects, even if they are located within a VMT Efficient or Infill Area. The environmental stakeholders also shared that they have concerns with making it a checklist process that does not involve any public engagement or outreach. Options 6a and 6b are independent project scope phases and are not inclusive of each other.

Resource Needs to Implement Action:

To implement Option 6a. PDS is requesting \$250,000 in one-time funding in FY 2023-24 based on General Fund fund balance. To implement Option 6b. PDS is requesting \$985,000 in FY 2023-24 based on General Fund fund balance. Funding for each option would include consultant expertise to prepare ordinance updates, staff time, and environmental analysis.

Table 3.0- Options for Long-Term Actions

Action	Time to Implement	Ongoing Cost	One-Time Cost
1. Prepare Programmatic EIR for Key Areas	3 years for each PEIR	N/A	Up to \$3.0 million to PDS Funding Source: One-time General Fund fund balance
2. Prepare Land Surveys	2 years	\$0	
Staff Recommendation: Total Time to Implement & Cost	2 to 3 years	\$—	\$3,000,000
<i>Additional Stakeholder Engagement Recommended</i>			
3. Revise the County CEQA Process		<i>Will be established based on stakeholder input and scope refinement</i>	

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4. Advocate for CEQA State law reforms		<i>Will be established based on stakeholder input and scope refinement</i>	
5. Financial Incentives: Establish an Infrastructure Fund to Support Development		<i>Will be established based on stakeholder input and scope refinement</i>	
6. Grading Ordinance Updates 6a. Ministerial Permits in VMT Efficient and Infill Areas 6b. Comprehensive Update	18 – 24 months 36 – 48 months	N/A	\$250,000 to PDS <i>Funding source: One-time General Fund fund balance</i> \$985,000 to PDS <i>Funding source: One-time General Fund fund balance</i>
Total Time to Implement & Cost (Non-recommended items)	48 months	\$ —	\$1,235,000

ENVIRONMENTAL STATEMENT

The Board of Supervisor's (Board) actions related to removing barriers to housing are exempt from the California Environmental Quality Act (CEQA) in accordance with Section 15061(b)(3) and 15378(b)(5) of the CEQA Guidelines because it can be seen with certainty that there is no possibility that today's actions may have a significant effect on the environment. The purpose of this hearing is to receive additional direction from the Board. After direction is received at today's hearing, staff will review and prepare proposed changes, conduct public outreach, and perform the necessary environmental review. Today's discussions are only to receive input and direction on options. The direction received today will not result in any direct or indirect changes to the environment, and any future Board actions as a result will be subject to review as and to the extent required by CEQA.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed actions support the Sustainability, Equity, Empower, Community, and Justice Strategic Initiatives in the County of San Diego's 2023-2028 Strategic Plan by examining and using policies and specific actions to support housing opportunities to meet the needs of the community while fostering new ideas and proven best practices to achieve results.

Respectfully submitted,



SARAH E. AGHASSI
Deputy Chief Administrative Officer

ATTACHMENT(S)

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ATTACHMENT A- City of San Diego Executive Order 2023-1
ATTACHMENT B – Action Sheet