



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 26-1389

Agenda Date: 6/3/2026

Agenda #: 32.

DATE: DATE: June 3, 2026

TO: Honorable Mayor and City Councilmembers

FROM: Development Services Department

TITLE: INTRODUCTION OF INCLUSIONARY HOUSING ORDINANCE, (CHAPTER 14C OF THE OCEANSIDE CITY CODE) REVISIONS TO INCLUDE MODIFICATIONS SUGGESTED BY THE CALIFORNIA COASTAL COMMISSION.

RECOMMENDATION

Staff recommends that the City Council introduce an ordinance to adopt amended text proposed by the California Coastal Commission (CCC) to incorporate suggested modifications to the Inclusionary Housing Ordinance (Chapter 14C of the Oceanside City Code), updating the definitions of various income categories, modifying the threshold for inclusionary housing requirements, removing restrictions on the utilization of Accessory Dwelling Units (ADUs) for meeting inclusionary housing requirements and correcting section numbering to incorporate suggested modifications.

BACKGROUND AND ANALYSIS

On August 30, 2023 the City Council held a workshop on affordable housing production strategies. Among several actions taken at the workshop, City Council directed staff to prepare amendments to Chapter 14C (Inclusionary Housing) of the Oceanside City Code (OCC) to facilitate and encourage the production of additional reserved units for lower-income households to meet the City's Regional Housing Needs Allocation goals. Specifically, Council directed staff to increase the City's inclusionary housing requirement from 10% to 15%, consistent with other North County jurisdictions.

On November 11, 2023, the Planning Commission considered proposed amendments to the City's inclusionary housing provisions and recommended that City Council approve such amendments. On December 6 and 20, 2023, the City Council discussed and considered differing amendments to the City's Inclusionary Housing Ordinance.

On January 24, 2024, the City Council conducted a duly noticed public hearing to introduce proposed amendments to OCC Chapter 14C. Following review and consideration, the Council approved and adopted the amendments, effective February 24, 2024, 30-days from the hearing. Additional analysis of the prepared text amendment is provided in the City Council staff report dated January 24, 2024, included as Attachment 3.

The amendments to OCC Chapter 14C currently apply only to those properties outside the Coastal Zone. Implementation of the amended text within the City's Coastal Zone requires certification by the

California Coastal Commission (CCC) of a Local Coastal Plan (LCP) Amendment.

On October 2, 2025, the adopted amendments for Chapter 14C were submitted to the CCC for review and certification. The CCC granted a one-year time extension on December 10, 2025. On February 5, 2026 the CCC approved the inclusionary housing revisions with seven suggested modifications outlined below. The staff report for the CCC meeting, dated January 22, 2026, is included as Attachment 5 and the full text of the suggested modifications is included as Exhibit A.

Modification No. 1

The CCC requested a modification to Section 14C.2 (Applicability). The suggested modification lowers the applicability of the inclusionary housing provisions to projects with 7 or more units instead of the City's proposal to require applicability with 10 or more units.

Modification No. 2

Footnote 1 provides an Editor's note which was previously certified by LCPA-6-OCN-20-0091-4. However, the footnote is not referenced in the body of the amended text and therefore should be deleted.

Modification No. 3

The definitions of Section 14C.3 currently include varying income categories within the low-income definition. The update will include the individual definitions of household income levels within the overarching category of "lower-income" consistent with those definitions described within State of California Health and Safety Code and as updated by Assembly Bill 1043 in 2021 to establish acutely low-income. Acutely low-income is defined under Health and Safety Code 50063.5 as any persons and families whose incomes do not exceed 15 percent of area median income, adjusted for family size.

Modification No. 4

Consistent with suggested Modification No. 1, Section 14C.5 (Reservation requirements for affordable housing) should be revised to reflect the lower applicability to projects of seven or more units.

Modification No. 5

For Section 14C.6 (Affordable housing standards and incentives), the suggested modification clarifies that the length of term for the affordability restrictions for both rental and sale is not a maximum term of 55 years but a minimum period of affordability. It also clarifies that ADUs may be allowed to satisfy inclusionary housing requirements for a residential development regardless of whether it is a single-family or multi-family project as allowed under State Law for accessory dwelling units (Government Code Sections 66310 - 66342).

Modification No. 6

Section 14C.9 (Application and review procedures) outlines the information to be provided in an Affordable Housing Plan. Acutely low-income households is added as an income category that may be addressed in the Plan. An affordable housing agreement must be recorded against the project prior to the issuance of a building permit or approval of a final map, whichever occurs first. The requested modification would add issuance of a Coastal Development Permit (CDP).

Modification No. 7

Section 14C.10 (b) incorrectly references 14C.4(a)(1) and (2) as the Affordable Housing Standards and Incentives subsection. The correct reference is Section 14C.6(a)(1) and (2). It is suggested that a rent-specific sentence referencing a 55-year rent restriction and applicability to all successors in interest should be deleted to ensure clarity of the provision.

ENVIRONMENTAL REVIEW

The proposed project involves regulatory changes and would not, in and of itself, involve land development or any other material change to the environment. Therefore, in accordance with the provisions of the CEQA Guidelines Section 15061(b)(3), the common sense exemption, the proposed text amendment does not have the potential for causing a significant effect on the environment and is therefore exempt from CEQA.

FISCAL IMPACT

Not applicable.

COMMISSION OR COMMITTEE REPORT

Not applicable.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed and approved as to form by the City Attorney.
Prepared by: Leilani Hines, Housing and Neighborhood Services Director
Reviewed by: Brian Thomas, Interim Development Services Director
Submitted by: Jonathan Borrego, City Manager

ATTACHMENTS

1. City Council Ordinance
2. City Council Resolution
3. City Council Staff Report - January 24, 2024
4. Coastal Commission LCP Certification Letter and Suggested Modifications - February 17, 2026
5. Coastal Commission Staff Report - January 22, 2026