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San Diego's Highest-Opportunity Neighborhoods Build the Least Housing, New Analysis Finds

Independent report finds that Coastal San Diego, a fifth of the city, added none of San Diego's household growth over twenty-five years while permitting housing at a little over half the citywide rate

SAN DIEGO, Calif., August 25, 2026 — Where San Diego allows homes to be built decides who can reach the opportunity that comes with living there. Every one of Pacific Beach's thirteen census tracts and every one of La Jolla's eight is rated High or Highest Resource on the State of California's opportunity map, the state's measure of where residents see the strongest outcomes. Both neighborhoods permit new housing at about a third of the citywide rate.

That pairing is the subject of *Coastal Opportunity and Housing Access in San Diego*, an independent research report released today by the San Diego Fair Housing Lab.

The report examines Coastal San Diego, a sixty-tract geography running from Torrey Pines south to the Peninsula and east across Interstate 5 along the Uptown and Linda Vista ridgelines. **Fifty-five of its sixty census tracts are High or Highest Resource, against 170 of 311 citywide.** In the current state housing cycle the geography was permitted 36.5 homes for every thousand homes already there, against 62.4 citywide. Pacific Beach was permitted 22.6 per thousand and La Jolla 22.3.

In counts, Pacific Beach was permitted 547 homes, La Jolla 278, Coastal San Diego 3,654, and the city 35,482.

> **"This report is about location," said Wesley Morgan, Executive Director of the San Diego Fair Housing Lab. "The State rates this ground among the strongest in San Diego for the people who live on it, on schools, on economic outcomes, on environmental conditions. The question the report asks is who gets to live there, and the answer runs through how much housing of every kind the city allows to be built."**

A quarter century of citywide growth that the coast did not share, on ground the state rates highest

Between 2000 and the most recent American Community Survey estimates, **San Diego's occupied homes grew 18.5 percent, from 442,094 to 523,840.** Across Coastal San Diego the same measure moved from 90,609 to 89,748, a change of -0.9 percent that does not clear its own margin of error. The report treats the coast as having added no households measurably rather than as having lost them.

The coast's population grew 7.3 percent over the same period, against 14.1 percent citywide. More people, in the same number of households, on ground the state rates among its highest-resource in the city.

The housing stock did grow, and slowly. **Coastal San Diego's total housing units rose 3.6 percent while the city's rose 21.7 percent, roughly a sixth of the citywide pace. Because occupied homes did not rise over the same period, the geography's vacant stock grew by more than its housing stock did.** That is arithmetic across the whole of the coast's housing rather than a disposition of particular units: the report measures net movements at two points in time and does not trace which individual homes changed status.

Two measures describe what that vacant stock is. Units the Census Bureau classifies as seasonal, recreational or occasional-use rose from 3,209 to 5,030 across the geography and now account for 48.8 percent of its vacant stock, against 27.1 percent citywide. And of the homes permitted on the coast in the current cycle, **39.2 percent were accessory dwelling units, against 17.7 percent citywide**, while multifamily buildings accounted for 46.3 percent against 73.5 percent citywide. Inside Pacific Beach, accessory units were 121 of the 202 permits issued in 2025.

The report is careful about what the second measure can be read to mean. Permit records do not show whether an accessory unit is rented to a household, occupied by the owner's own family, or held empty, so its effect on occupied homes cannot be read directly from the permit data.

> **"The coast added housing slowly, and its vacant stock grew by more than its housing stock did," Morgan said. "That is arithmetic about the whole of the coast's housing, not a claim about any one category of unit. Whatever is happening home by home, the result is that a fifth of the city, sitting on some of its highest-resource ground, is not adding households."**

Pacific Beach makes the gap concrete. Its total housing units rose from 22,253 to 24,167, a net gain of 1,914. Its occupied homes rose from 21,001 to 21,391, a net gain of 390.

Below the regional median, a record that can be counted by hand

Pacific Beach was permitted 81 homes affordable below the regional median in the current state housing cycle and has completed three. La Jolla was permitted seven and has completed one. Citywide the same two figures are 6,711 permitted and 238 completed. The report tracks permitted and completed as separate measures throughout.

Sixty-eight of Pacific Beach's 81 permitted homes sit in a single census tract, and nine of the neighborhood's thirteen tracts were permitted none at all. La Jolla shows the same shape at smaller scale: six of its seven are in one tract. All twenty-one of those tracts are rated High or Highest Resource, so the access these homes would open is concentrated in one small piece of it.

Widen the frame past the current cycle and the record is small enough to list by hand. Across the full tracked permit record, these two neighborhoods have completed **eight homes** affordable below the regional median between them. Pacific Beach has completed seven: five very low income homes, one low income home, and one moderate income home, all deed-restricted. La Jolla has completed one, a deed-restricted low income home. Twenty-one census tracts, twenty-five years, eight homes.

The City said this first. This report shows where it lands.

In a departmental memorandum dated July 15, 2022, four years before this report, the City's Planning Department wrote that the coastal height limit "remains as a barrier to maximizing the construction of homes and residential developments with restricted rents."

The memorandum recorded a constraint, but it did not analyze where that constraint falls. This report does, and the production record bears the Department's own assessment out. Inside the Coastal Height Limit Overlay Zone, 80.4 percent of census tracts are High or Highest Resource against 54.7 percent citywide. The overlay was permitted 32.5 homes per thousand existing against 62.4 citywide, and homes affordable below the regional median at 2.32 per thousand against 11.80 citywide — roughly half the citywide rate on housing of all kinds, and roughly a fifth on housing below the regional median.

Under the 2025 settlement in *Baker v. City of San Diego*, the City agreed to demonstrate that by 2028 at least 70 percent of affordable housing projects are permitted in moderate, high or highest resource areas. The settlement counts projects, and the City currently sits at 52.6 percent on that basis. The report also ran the measure on homes rather than projects, where the citywide figure is 51.6 percent.

> **"The City's Planning Department wrote in 2022 that the coastal height limit is a barrier to building rent-restricted homes. We did not discover that. We read it, and then we measured where it lands,"**

> **Morgan said. "Inside that overlay, the city permits housing at half the citywide rate and housing below the regional median at a fifth. The Department's own assessment holds up."**

Where the demand went

Housing demand does not disappear when one part of a city declines to accommodate it. It moves to wherever households can find and afford a place to live. The report finds three kinds of places in San Diego, and what separates them is how that demand was absorbed.

Coastal San Diego did not absorb it. Sixty tracts, fifty-five of them in the state's two highest resource tiers, a fifth of the city's households in 2000, and no measurable household growth in twenty-five years.

Where the city did not build, demand was absorbed by the housing already there. Forty-four of the city's 311 census tracts carry one of the State's neighborhood-change pathways, its instrument for identifying neighborhoods where lower-income residents show signs of being pushed out. Those tracts have a median household income of $81,240 against $110,065 citywide. Their incidence tracks what a neighborhood cost in 2000 rather than where it sits: **the two least expensive deciles of San Diego tracts by 2000 housing cost hold 25 of the city's 43 flagged tracts, 58.1 percent of them, on 20.0 percent of the tracts.** Exactly one of Coastal San Diego's sixty tracts carries a flag.

Where the city built, demand was absorbed by new housing. Mission Valley permitted 3,557 units, 98.3 percent of them multifamily, and **its occupied homes grew 105 percent.** Its share of residents of color rose from 30.9 percent to 52.6 percent, and none of its five census tracts carries a State neighborhood-change pathway flag. Inside it, a single census tract went from 211 occupied homes to 2,495 and took in more housing below the regional median than Pacific Beach's thirteen tracts and La Jolla's eight combined, on ground the state rates as highly as the coast. Uptown, on comparable high-resource ground, permitted 87.0 homes per thousand, grew its occupied homes 12.9 percent, and carries flags on two of its twelve tracts.

One neighborhood shows both at once. North Park permitted 119.2 homes per thousand, grew its occupied homes 11.2 percent, and carries pathway flags on ten of its thirteen tracts. The report presents it as a case of substantial production occurring alongside substantial measured neighborhood change rather than as an example of either one alone.

> **"Coastal San Diego is a fifth of the city, and over twenty-five years it added none of the city's household growth," Morgan said. "That demand did not go away. It moved to where people could find a home they could afford, and in much of the city there was no new housing waiting for it, so it landed on the housing already standing. When more households compete for homes that already exist, that competition shows up in what those homes cost and in who can still afford to stay in them. That is what makes this a regional finding rather than a story about two neighborhoods."**

The report is explicit that it documents a geographic separation between where opportunity is concentrated and where measurable neighborhood change is occurring, and that it does not trace a household-by-household path from one to the other.

> **"Coastal San Diego's costs were already far above the city's when the measurement period began, so the households the State's displacement measure looks for had largely been priced out before it started," Morgan said. "A neighborhood can be almost entirely out of reach and still register as stable."**

Why a report about two neighborhoods is a report about the city

Opportunity in these neighborhoods is not a private amenity. The schools, parks, libraries, transit, clean air and low environmental burden that the State measures are public assets, already built and already paid for. **What determines who reaches them is how many homes the city allows near them.**

That is why this is a regional question rather than a local one. Every household that cannot find a home on ground the State rates highest looks for one somewhere else, and the city's housing market absorbs that demand wherever there is room.

The report also shows what the alternative looks like, because San Diego has already done it. Mission Valley sits on comparably high-opportunity ground. It permitted 3,557 homes, grew its occupied homes 105 percent, and went from 30.9 percent residents of color to 52.6 percent, with no state neighborhood-change flag on any of its five census tracts. Uptown did something similar at smaller scale.

Nothing in this report says the coast must look like Mission Valley. What the record shows is that building substantially on high-opportunity ground is something this city has done, recently, without the outcomes its opponents predict.

First in a series

This is the first in a series examining how housing access, opportunity, and neighborhood change are distributed across San Diego. Subsequent reports will look at the corridors south of Interstate 8 and east of Interstate 5, where the city's measurable neighborhood change and displacement have actually landed, and at what happened to the households who lived there; and at the geography of family housing, including the parts of the city that have lost the most children.

Further lines of inquiry

The report answers a narrow question and leaves several open. These are the ones the Lab considers most tractable with public data, offered so a newsroom can pursue its own version rather than reprint ours. We will share our tract-level tables for any of them on request.

- **Who commutes into opportunity.** Across San Diego's High and Highest Resource tracts, employers draw workers and schools draw students from well beyond their own boundaries. Nobody has measured the miles driven, the hours spent, or the cost carried by the people who work and study on that ground and cannot live on it.
- **The people behind the flags.** Forty-four census tracts carry a state neighborhood-change flag. Our next report will document where that change landed and what the record shows about it. **What no dataset can supply is the people.** Who lived in those blocks in 2000, where they are now, what the move cost them, and whether they would have stayed. The data can name the tract. Only a reporter can find the family.
- **Opportunity against transit.** The State's opportunity map and the region's transit network are two separate layers. Where they overlap and where they miss each other is a map nobody in San Diego has published.
- **What the coast is actually building, and for whom.** Accessory dwelling units were 39.2 percent of coastal permits against 17.7 percent citywide. Permit records do not show whether an accessory unit becomes a rental home for a tenant or additional space for the owner already on the parcel. Alongside that, seasonal and occasional-use units now hold 48.8 percent of Coastal San Diego's vacant stock against 27.1 percent citywide. Both questions are about the same thing: whether new coastal housing is housing anyone new.
- **Time from permit to key, by opportunity tier.** Citywide, 4,207 of 35,482 permitted homes have been completed. Whether that delay runs longer in High and Highest Resource tracts than elsewhere is answerable from the City's own filings, and it has never been published.

On method

Every figure in the report names its source and, where one exists, its margin of error. Household measures come from the 2000 Decennial Census and American Community Survey five-year estimates; opportunity tiers from the California Department of Housing and Community Development and TCAC Opportunity Map; and production figures from the City's own Housing Element Annual Progress Report filings.

Coastal San Diego is a grouping the report assembles from City community planning areas on two stated properties, a concentration of tracts in the state's two highest resource tiers and housing production below the citywide rate, plus contiguity. It is a research geography rather than a City or state boundary, and the full definition is published with the report.

> **"Every figure in this report names its source and its margin of error, and where the data will not support a claim, the report says so and stops," Morgan said. "That is the standard we hold ourselves to and it is the standard we would like to see applied to us."**

About the San Diego Fair Housing Lab

The San Diego Fair Housing Lab is an independent fair housing research organization and a 501(c)(3) in formation. This report was researched and produced independently. No client commissioned it, directed it, or reviewed it prior to publication. The Lab works with neighborhood organizations, housing groups, and community partners across San Diego County.

Full report, appendices and data definitions: sdfairhousinglab.org/coastal

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