

AFFORDABLE HOUSING TASK FORCE
MINUTES for meeting of
May 10, 2003

Meeting held at:

**City Administration Building
12th Floor Committee Room
202 C Street
San Diego, CA 92101**

ATTENDANCE:

Members Present

Janet Anderson
Risa Baron
Gordon Carrier
Donald Cohen
Michael Conroy
Steve Doyle
Mike Galasso
Robert Griswold
Chuck Hoffman
Horace Hogan
Robert Kevane
Jack McGrory
Sue Reynolds
Father Henry Rodriguez
Andrea Skorepa
Darryl Steinhouse
Michael Turk

Members Absent

Nico Calavita
Richard Lawrence
Paul Shipstead

Staff Present

Tina Christiansen
P. Lamont Ewell
Gail Goldberg
Michael Jenkins
Tony Khalil
Bill Levin
Betsy Morris
Allyn Motter
Dan Stricker
Penni Takade
Susan Riggs Tinsky
Mike Westlake

The Affordable Housing Task Force was called to order at 9:05 a.m.

The minutes from the May 1, 2003 meeting were unanimously approved.

Jack McGrory, Task Force Chairperson, announced that the Task Force will be voting on the subcommittee's recommendations, and he asked the Task Force to keep the City's interest and future in mind rather than their own personal interests.

City staff members distributed updated copies of all of the subcommittee reports.

Subcommittee 1:

The Task Force member unanimously approved the recommendations from Subcommittee 1.

Subcommittee 2: Development, Regulations, and Incentives

The Task Force deliberated on each recommendation from Subcommittee 2. Under I. Incentives for Builders of Affordable Housing/Process, recommendation 1 (a) regarding whether sustainability should be changed to the number one priority in Council Policy 600-27 was put aside until the next Task Force meeting. Recommendation 5 was amended to allow affordable housing projects to be acted upon in accordance with Process 2 instead of Process 1 and requiring community planning groups to provide a formal recommendation no later than 30 calendar days from the date of mailing of the Notice of Application. Number 7 was modified to state that the recommendation is in concert with the Development Services Department's Fee Proposal. Numbers 8 (c) and (d) were approved with one abstention. The Task Force voted to add another recommendation to provide next day inspection services to affordable/in-fill housing projects, based on the Carrying Capacity section of Council Policy 600-27. All other recommendations were approved unanimously.

Under I. Incentives for Builders of Affordable Housing/Fees, recommendations 1 and 3 were put aside for the next Task Force meeting, recommendation 2 was approved unanimously with the modification that impact fees would be reduced for affordable development under 80% Area Median Income (AMI). A fourth recommendation was added to direct staff to reevaluate the fee structure for multi-family units based on number of bedrooms and/or occupancy. This recommendation was approved unanimously.

Under II. Regulations – New Codes or Code Amendments the two recommendations were approved with number 2 amended to track and identify residential development utilizing universal design features.

The Task Force unanimously approved the environmental recommendations, and staff was asked to return with modified language for both recommendations.

Recommendations for IV. Sustainable Buildings and the second recommendation under V. Inclusionary Housing Ordinance were delayed until the next meeting. Number 1 under the Inclusionary Housing Ordinance passed with 10 members in favor and 7 opposed.

Section VI. Infrastructure was moved to be discussed during the Finance subcommittee report.

Under VII. Community Planning Groups, staff will modify the recommendations and the Task Force will vote on them at the next meeting.

Under VIII. City Staff and Development Services Department, recommendations 1 and 3 were approved unanimously. Number two was modified to assign a position in the City Manager's Office to focus on affordable housing to ensure the task force recommendations which the City Council adopts are implemented. This position will coordinate all housing issues for the City including resolving disputes with applicants.

The recommendation for IX. Accessible Housing Technical Advisory Committee (TAC) was amended to expand the existing TAC to assess this issue and the item was approved unanimously. A recommendation was added to increase the density bonus in transit corridors to 50% based on 80% or below AMI. The new recommendation was approved unanimously.

The Task Force took a short break for lunch and reconvened at 12:05 p.m.

Subcommittee 3: Finance

The Task Force began to deliberate on each of the Finance subcommittee's recommendations. For recommendation 1 to increase existing sources which do not required voter approval (a), (b), and (c) were approved with the following modifications and notes: (a) was amended to increase the RDA Set-aside to 35%, which would yield a total of \$7.5 million; (b) was amended to dedicate at least 40% of CDBG Funds, which would yield a total of \$5.4 million; (c) was approved with 12 in favor and 5 opposed. Steve Doyle, subcommittee chairperson suggested that (d) be modified in the revised report for the next Task Force meeting. This would mean no additional revenue from the Inclusionary Zoning In-lieu Fee, because that money was to be used to support the 700 new units created each year by Inclusionary Zoning and the FUA requirements.

Under recommendation 2, to target locally controlled resources to be more efficient and productive, the Task Force unanimously approved all of the recommendations.

All items under recommendation 3, to actively pursue all state and federal sources of money were approved. Two members were opposed to item (f).

After approving the increase of the existing revenue sources, there was a \$62,017,000 gap needed to fund affordable housing for low and very low income levels. There was a discussion on recommendation 4, tax increases that would be sent to the voters. Due to the City's current financial situation, the chairperson suggested that the Task Force pick funding sources that are linked to more housing rather than to the General Fund needs. An increase from 10.5% to 12.5% in the Transient Occupancy Tax (TOT) was approved with 15 in favor and 1 opposed. The Task Force differed on the discussion of an increase to the Business License Tax until review of Recommendation 5. The Car Rental Tax was amended to 5%, which will yield \$40 million, and approved with 15 in favor and 1 opposed. An increase in the Restaurant Sales Tax from 7.75% to 8.75% was approved with 9 in favor and 6 opposed. The Real Estate Transfer Tax was approved to be increased to 3.3% with 9 in favor and 6 opposed. A 10% Parking Lot Tax was approved with 9 in favor and 6 opposed. The discussion of the increase of a Parcel Tax will be delayed until the discussion of Infrastructure. The Task Force voted that the priority order for pursuing and implementing these increased revenue sources under recommendation 4 should be to first use items 1 and 3, TOT and Car Rental Tax. Items 4, 5 and 6, Restaurant sales Tax, Real Estate Transfer Tax and Parking Lot Tax, would be used as alternates

The Task Force will finish voting on the recommendations at the next Task Force meeting.

ADJOURNMENT

The meeting was adjourned at 1:20 p.m.

**The next scheduled meeting is: Thursday, May 15, 2003 @ 12 noon
Development Services Center, 1222 First Avenue, 4th Floor, Training Room**