

#### COUNCILMEMBER KENT LEE

# City of San Diego Sixth District

#### **MEMORANDUM**

DATE:

January 29, 2024

TO:

Honorable Council President Sean Elo-Rivera

Honorable Members of the Land Use and Housing Committee

FROM:

Councilmember Kent Lee, Chair, Land Use and Housing Committee

SUBJECT:

2024 Land Use and Housing Committee Work Plan

It is an honor to serve as Chair of the Land Use and Housing Committee (LU&H). I look forward to working closely with my Council colleagues, the Mayor, the Office of the Independent Budget Analyst (IBA), City staff, and members of the public to balance and address the needs of our communities.

The cost of housing throughout San Diego continues to outpace wage increases and presents a significant crisis for many residents who are rent burdened and paying a significant proportion of their income to keep a roof over their heads. While the City has made progress towards Regional Housing Needs Assessment (RHNA) goals, we are still severely lacking in low and middle-income housing for working families, with only 62 middle-income units approved in 2021 and 2022<sup>1</sup>.

<sup>&</sup>lt;sup>1</sup> City of San Diego's 2023 Biennial Housing Element Report: <a href="https://www.sandiego.gov/sites/default/files/2023-12/Biennial%20Housing%20Element%20Report">https://www.sandiego.gov/sites/default/files/2023-12/Biennial%20Housing%20Element%20Report</a> Final 12.4.23.pdf

As we continue to explore efforts to aid our most vulnerable residents, this Committee and our region's leaders recognize that the most effective strategy to address homelessness is to create more housing.

Further, providing working families attainable housing options to continue to stay in the city is inextricably linked to addressing climate change and ensuring local businesses can thrive or expand in San Diego.

As Chair of the Land Use and Housing Committee, I am committed to working together with my colleagues and the public to build vibrant and resilient communities in San Diego. The work plan as prepared is not exhaustive or binding, and I welcome continued input from members of the committee and the public.

# **Committee Scope**

The Land Use and Housing Committee's area of responsibility includes Permanent Supportive Housing, Homeless Services, Affordable Housing, Real Estate & Airport Management, Planning, Land Use, Land Development Code, General Plan, Community Plans, Coastal Overlay Zone, and Historical Issues/Mills Act.

## About the 2024 Work Plan

The following goals and strategic priorities convey the purpose, direction, and underlying values guiding the work of the 2024 Land Use and Housing Committee. These statements were developed by drawing on the priorities discussion as an informational item during the January 11, 2024, committee hearing, Committee members' priority memorandums received by District 6, and responses collected from the public via the community input survey.

#### **Committee Goals**

As described in each of my colleagues' 2024 committee priorities, below are goals of the LU&H committee to work towards this year:

- Advancing policies that will facilitate the creation of affordable and middle-income housing, and fostering public and stakeholder discussions on strategies to deliver our RHNA goals
- Supporting sustainable land use projects and policies that align with desperately needed infrastructure, transportation, and facility investments in aging communities
- Anticipating housing growth to mitigate urban sprawl, decrease congestion, and create more sustainable communities
- Focusing on improving process efficiencies related to the Development Services Department (DSD), City Planning Department, and Historic Resources

#### **Work Plan Development**

Thank you to my committee colleagues for submitting their annual priorities as part of the development of the 2024 LU&H Work Plan. Below is a summarized list of suggested priorities grouped by six themes, understanding that some priorities will be under the purview of other Committees. Again, the work plan as prepared is not exhaustive or binding, and can be adapted based off the changing needs of the City:

# Creating Affordable and Middle-Income Housing Opportunities

- Support the conversion of existing vacant commercial buildings, malls, and other properties for affordable and middle-income housing, including single room occupancy (SRO) conversion opportunities
- Review all proposed community plan updates and request updated timelines to ensure they are advanced in a timely manner with an emphasis on transit-oriented development and housing at mixed-income levels. These updates are necessary for the success of the City's Strategic Plan Goals including creating jobs, delivering on infrastructure, and advancing transit as well as supporting our Climate Action Plan. There are significant opportunities in the updating of the University Community Plan and Hillcrest Focused Plan Amendment to provide much-needed homes, jobs, and transit infrastructure, while bolstering access to local businesses and bringing neighborhood benefits.
- Consider implementation of new state laws, such as AB 1033 (ADU Condominium Law)
- Receiving a status update on implementation of policies to advance Missing Middle Housing opportunities
- Seek and establish partnerships to further develop a middle-income housing fund
- Understanding the challenges and opportunities our city's budget faces this year, revisit
  the feasibility to create a pilot program of a Middle-Income First-Time Home Buyers
  Pilot Program in collaboration with the San Diego Housing Commission (SDHC), which
  was discussed last year
- Explore strategies to expand the City's existing low-income First-Time Homebuyer Program and encourage participation in communities of concern
- Explore policies to facilitate the construction of modular housing in the city, including strategies to attract modular home manufacturers to locate production facilities in the city in order to make the provision of modular homes easier and cheaper in San Diego
- Consider the 2024 Land Development Code Update along with feedback from the public, interested parties, and City Planning on how the prohibition of drive-throughs in Transit Priority Areas and Sustainable Development Areas may or may not encourage the development of housing and walkable neighborhoods
- Reviewing the effectiveness of current housing incentive policies such as the Accessory Dwelling Unit (ADU) Bonus program, SDHC's ADU Finance Program, and Complete Communities, and micro-units near transit and consider enhancements to such policies

- Receive and provide a recommendation on Blueprint SD, which will address how we can streamline our community plan update process with data-driven strategies to ensure our long-term planning goals align with our transportation, climate, and housing goals.
- Receive an update on the City's Affordable Home Development Master Plan, which aims to use City-owned property to develop homes near transit and amenities
- Review and consider ways to improve the Notice of Funding Availability (NOFA)
   Process, specifically receiving SDHC and Economic Development Department (EDD)
   updates on the performance of each affordable housing Notice of Funding Availability
   (NOFA) issued, awards, and review potential for consolidation of these two separate
   NOFA programs
- Receive an update on strategies listed in October 2022's Resolution of the Council of the City of San Diego and the Board of Supervisors to Formally Express their Intent to Take Joint Action to Increase the Availability of Affordable Housing in our Region Consistent with their Respective Authority<sup>2</sup>, which includes a commitment to building 10,000 affordable homes on government-owned land, and maximizing the use of public lands and properties in partnership with other local agencies and municipalities
- Seek opportunities for co-locating or affordable housing projects to be built above existing public facilities
- Receive an update from SDHC on the Affordable Housing Fund Annual Plan
- Lead on innovative partnerships for housing financing strategies through tax credit allocations, incentive programs, bonding opportunities, and leveraging private-public philanthropic dollars
  - Discuss how state and federal legislation could help increase housing and homelessness funding and programs, especially for affordable housing gap financing

#### Affordable Housing Preservation

- Review and recommend an Affordable Housing Preservation Ordinance which will help
  ensure that homes remain affordable and are not lost when deed restrictions expire. This
  Committee will continue to work towards recommending a strategy to preserve or replace
  both deed-restricted and naturally affordable housing units for approval by the City
  Council
- Consider a Naturally Occurring Affordable Housing Preservation Fund to help preserve the existing stock of affordable housing
- Evaluate and review existing affordable housing units under lease with the city to determine if leases can be extended to preserve the affordability restrictions in place
- Review and consider ways to preserve existing SROs

<sup>&</sup>lt;sup>2</sup> Joint County and City of San Diego Housing Resolution: https://bosagenda.sandiegocounty.gov/cob/cosd/cob/doc?id=0901127e80f2460d

## **Tenant Protections and Prevention**

This Committee requests to receive updates from agencies, such as the San Diego Housing Commission (SDHC) or relevant departments, and provide recommendations (as applicable) on the following:

- The development and implementation of a Tenant Termination Notice Registry, an online portal to collect landlord termination notices which is critical in understanding the needs of constituents who are facing eviction and housing insecurity
- The City of San Diego's Eviction Prevention Program (EPP), which helps renters facing eviction and is operated by Legal Aid Society of San Diego through a contract with SDHC
  - o In addition, this Committee will receive an update on SDHC's Analysis of Residential Evictions in the City of San Diego and the Affordable Housing Universal Application and Navigation System
- The viability of providing local residents with a preference for access to homes built in their community that have affordability restrictions on them. Consider the challenges and opportunities for a development that receives city or SDHC funding via a NOFA, or other funding source, to be required to provide local residents with preference when affordable homes are made available upon completion of a project.

# Preventing and Reducing Homelessness:

This committee will continue to participate and encourage collaboration with public and private partners to increase temporary and long-term housing opportunities, support increases to outreach efforts and various services, and homelessness prevention, especially for low-income seniors, those with disabilities, LGBTQ+ people, youth, seniors, and families with dependents. Receiving data and informational presentations on the following will help the LUH Committee make informed decisions on how the City can best invest in strategies to prevent and reduce homelessness:

- Receive bi-annual presentations and updates from the City's Homelessness Strategies and Solutions Department (HSSD) on the progress of the Community Action Plan on Homelessness (Community Action Plan) to include implementation efforts, accomplishments, outstanding items, budget requirements, funding sources, and collaboration as well as any recommended updates to the Plan
- Receive an update and work with City staff on how we can provide more funding for the
  Housing Instability Prevention Program (HIPP), which is a critical program that aids in
  the efforts to prevent San Diegans from becoming homeless when interventions can
  become less effective and more costly

- Receive regular updates from SDHC, HSSD, the Mayor's office, the Regional Task
  Force on Homelessness (RTFH), and service providers (as applicable) on homelessness
  data and coordination efforts, including but not limited to: Comprehensive Shelter
  Strategy, beds being utilized, individuals contacted through city outreach, the use of safe
  camping and safe parking sites, HomeKey, and any other relevant information.
  - The LU&H Committee should receive an update on the first six months of implementation and impact since the passage of the Encampments on Public Property Ordinance and consider a discussion of amendments as appropriate
  - Consider expansion of the safe camping program by identifying suitable Safe Sleeping locations throughout the City
  - Review ways of how we can increase the number and types of shelter opportunities for people experiencing homelessness
  - Review policies and redevelopment opportunities, that would increase the number of Permanent Supportive Housing units
- Receive reports from the Mayor's Office, SDHC, HSSD, and EDD on grant funding
  opportunities, grants received, grant applications denied, to better understand funds the
  City and SDHC are receiving as compared to similar sized municipalities, and how we
  can be more competitive in future applications

# Address Structural Barriers and Processes:

This Committee will continue to monitor and consider recommendations (as applicable) on the effectiveness of policies and procedures that aim to advance sustainable development. In recent years, DSD has made significant process in resolving delays in processing permits and submittals which impact public and private development and result in increased costs that get passed onto residents. This will include receiving updates from DSD and City Planning (as applicable):

- Receive DSD updates including (but not limited to) permitting and submittal processing times updates and results of the Mayor's executive orders related to processing affordable housing and Complete Communities projects within 30 days and consider ways to further expedite the permitting process, especially for middle-income housing
- Work in partnership with DSD, the Mayor's office, and key City Officials on ways to better improve staff recruitment and retention, receiving an update on third-party staffing, while also considering ways to further expand the Professional Certification program
- In collaboration with the Mayor's office and City Planning, review, identify, and consider short-term, medium-term, and long-term improvements to the historic preservation program and review process
- Monitor the implementation of the Zero Emissions Municipal Buildings and Operations Policy (ZEMBOP) to ensure inclusion in private leases of City-owned land
- Receive and consider (as applicable) an update from Department of Real Estate and Airport Management (DREAM) on city lease agreements, and status and compliance on the applicability of ZEMBOP to City Facility Agreements and SDHC properties

- Receive the Annual Report on Homes Update, including an update on our annual housing goals, the production of deed-restricted and market-rate "moderate income" housing, and subsidies required by "inclusive" deed-restricted units versus "off-site."
- Consider updates to Council Policy 700-10, led by Council District 1, in collaboration with EDD/DREAM, who will bring an amended draft to LUH Committee
- Hear an update on the progress of the City Clerk, City Planning, and DSD to improve accessibility for the City's Land Development Code to make it more public user-friendly and to improve customer experience
- Explore the creation of a design review process to allow urban growth in communityfocused ways including a presentation by Regional Design Advisory Council
- Discuss opportunities for tactical urbanism to maximize resources for effective placemaking

# Address Land Use Regulations Related to Childcare:

Many families continue to face the challenge of seeking affordable childcare options. This Committee will continue to explore additional land-use reforms and incentives to further expand childcare opportunities for San Diego families, including the following:

- Receive updates on the implementation of Measure H from EDD/DREAM, and the Office of Child and Youth Success
- Review regulations, policies, and funding to remove obstacles to large and home-based childcare facilities and invite the public and interested parties to present on the challenges and opportunities of incentivizing these facilities on affordable housing developments

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