7/28/2020 (0-2020-9) 5 3

ORDINANCE NUMBER O- 21222 (NEW SERIES)

DATE OF FINAL PASSAGE JUL 3 0 2020

AN ORDINANCE AMENDING CHAPTER 14, ARTICLE 3, DIVISION 7 OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTIONS 143.0717, 143.0720, 143.0740, AND 143.0744 RELATING TO MODERATE INCOME HOUSING REGULATIONS.

WHEREAS, the Mayor of the City of San Diego has developed a series of strategies and initiatives that will help increase the housing production in the City known as "Housing-SD"; and

WHEREAS, Housing-SD includes multiple regulatory reforms that are intended to improve housing affordability, improve review processes, facilitate more affordable housing, and support the Climate Action Plan including the Moderate Income Housing Regulations; and

WHEREAS, the intent of the Moderate Income Housing Regulations is to attract the

segment of the development community that has not taken advantage of the Affordable Housing

Regulations, but may be inclined to include moderate income housing in their projects; and

WHEREAS, these regulations augment, and do not detract from participation in the

Affordable Housing Regulations; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. That Chapter 14, Article 3, Division 7 of the San Diego Municipal Code is amended by amending sections 143.0717, 143.0720, 143.0740, and 143.0744, to read as follows:

§143.0717 Required Replacement of Affordable Units

(a) An applicant is ineligible for a density bonus or any incentive under this
 Division if the property on which the development is proposed contains, or
 during the five years preceding the application, contained, rental dwelling

units that have had the rent restricted by law or covenant to persons and families of *low income*, *very low income*, or *moderate income*, or have been occupied by persons and families of *low income*, *very low income*, or *moderate income*, unless the proposed *development* replaces the affordable *dwelling units*, and either:

- (1) [No change in text.]
- Provides all of the dwelling units as affordable to low income, very low income, or moderate income households, excluding any manager's unit(s).
- (b) The number and type of required replacement *dwelling units* shall be determined as follows:
 - (1) [No change in text.]
 - (2) If all of the *dwelling units* are vacant or have been demolished within the five years preceding the application, the *development* must contain at least the same number of replacement *dwelling units*, of equivalent size and *bedrooms*, as existed at the highpoint of those units in the five year period preceding the application, and must be made affordable to and occupied by persons and families in the same or a lower income category as those in occupancy at that same time. If the income categories are unknown for the highpoint, it is rebuttably presumed that the *dwelling units* were occupied by *very low income*, *low income*, or *moderate income* renter households in the same proportion of *very low income*, *low income*, or *moderate income* renter households to all renter

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households within the City of San Diego, as determined by the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database, and replacement *dwelling units* shall be provided in that same percentage.

(3) through (5) [No change in text.]

§143.0720 Density Bonus in Exchange for Affordable Housing Units

- (a) through (b) [No change in text.]
- (c) A rental affordable housing *density* bonus agreement shall utilize the following qualifying criteria:
 - (1) through (4) [No change in text.]
 - (5) Moderate income At least 10 percent of the pre-density bonus dwelling units in the development shall be affordable to and occupied by moderate income households.
- (d) through (h) [No change in text.]
- (i) A development proposal requesting an affordable housing density bonus is subject to the following:
 - (1) [No change in text.]
 - (2) For development meeting the criteria for very low income households in Section 143.0720(c)(1), the density bonus shall be calculated as set forth in Table 143-07A. The increased density shall be in addition to any other increase in density allowed in this Division, up to a maximum combined density increase of 75 percent. For development meeting the same criteria within the

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Centre City Planned District, the bonus shall apply to the maximum allowable *floor area ratio* applicable to the *development* consistent with Section 156.0309(e).

- (3) For development meeting the criteria for low income households in Section 143.0720(c)(2), the density bonus shall be calculated as set forth in Table 143-07B. The increased density shall be in addition to any other increase in density allowed in this Division, up to a maximum combined density increase of 75 percent. For development meeting the same criteria within the Centre City Planned District, the bonus shall apply to the maximum allowable floor area ratio applicable to the development consistent with Section 156.0309(e).
- (4) For development meeting the criteria for moderate income households in Section 143.0720(c) and (d), the density bonus shall be calculated as set forth in Table 143-07C. The increased density shall be in addition to any other increase in density allowed in this Division, up to a maximum combined density increase of 50 percent. For development meeting the same criteria within the Centre City Planned District, the bonus shall apply to the maximum allowable floor area ratio applicable to the development consistent with Section 156.0309(e).

(5) through (10) [No change in text.]

§143.0740 Incentives in Exchange for Affordable Housing Dwelling Units

An *applicant* proposing *density* bonus shall be entitled to incentives as described in this Division for any *development* for which a written agreement and a deed of trust securing the agreement is entered into by the *applicant* and the President and Chief Executive Officer of the San Diego Housing Commission. The City shall process an incentive requested by an *applicant* as set forth in this Section.

(a) through (d) [No change in text.]

| Percent Very Low Income Units | Percent Density Bonus | Number of Incentives | |
|----------------------------------|--------------------------|----------------------|--|
| 5 | 20 | 1 | |
| 6 | 22.5 | 1 | |
| 7 | 25 | 1 | |
| 8 | 27.5 | 1 | |
| 9 | 30 | 1 | |
| 10 | 32.5 | 2 | |
| 11 | 35 | 2 | |
| 12 | 38.75 | 3 | |
| 13 | 42.5 | 4 | |
| 14 | 46.25 | 4 | |
| > 15 | 50 ¹ | 5 | |

Table 143-07A Very Low Income Density Bonus Households

¹ Once this maximum is reached, an additional 25 percent *density* bonus is allowed if an additional 10 percent of the pre-*density* bonus units are restricted in accordance with the provisions of this Division for households earning less than or equal to 120 percent of the area median income, as adjusted for household size, and the *development* is within a *transit priority area*.

| Percent Low Income Units | Percent Density Bonus | Number of Incentives | |
|-----------------------------|--------------------------|----------------------|--|
| 10 | 20 | | |
| 11 | 21.5 | 1 | |
| 12 | 23 | 1 | |
| 13 | 24.5 | 1 | |
| 14 | 26 | 1 | |
| 15 | 27.5 | 1 | |
| 16 | 29 | 1 | |
| 17 | 30.5 | 1 | |
| 18 | 32 | 1 | |
| 19 | 33.5 | 1 | |
| 20 | 35 | 2 | |
| 21 | 38.75 | 2 | |
| 22 | 42.5 | 2 | |
| 23 | 46.25 | 2 | |
| ≥ 24 - 29 | 50 ¹ | 2 | |
| ≥ 30 | 50 ¹ | 3 | |
| 31 - 32 | 50 ¹ | 4 | |
| <u>≥ 33</u> | 501 | 5 | |

Table 143-07B Low Income Density Bonus Households

¹ Once this maximum is reached, an additional 25 percent *density* bonus is allowed if an additional 10 percent of the pre-*density* bonus units are restricted in accordance with the provisions of this Division for households earning less than or equal to 120 percent of the area median income, as adjusted for household size, and the *development* is within a *transit priority area*.

Table 143-07C Moderate Income Density Bonus Households

[No change in text.]

§143.0744 Parking Ratios for Affordable Housing

Upon the request of an applicant for a development meeting the criteria in

Sections 143.0720(c), 143.0720(d), 143.0720(e), 143.0720(f), or 143.0720(h), the

vehicular parking ratios in Table 143-07D, as may be applicable, or those set forth

in Chapter 14, Article 2, Division 5, inclusive of disabled and guest parking,

whichever is lower, shall apply. For purposes of this Division, a development may

provide onsite parking through tandem parking or uncovered parking, but not

through on-street parking or parking within a required front yard setback.

| Type of Development | Percent Affordable | Transit Requirement ³ | Parking Ratio for Development ¹ |
|--|-----------------------|--|--|
| Rental or for-sale development containing market rate and low income, very low income and/or moderate income dwelling units • Very low income • Low income • Moderate income | 11% 20% 10% | The <i>development</i> is located within a <i>transit priority area</i> | 0.5 spaces per <i>bedroom</i> |
| Rental housing Low, very low and moderate income | 100% ² | | 0.5 spaces per dwelling unit |
| Rental housing with an affordable housing cost to lower income senior citizens in accordance with California Civil Code Sections 51.3 and 51.12 | 100% ² | The <i>development</i> shall have either paratransit service, or be located within ½ mile of unobstructed access to a fixed bus route service that operates at least eight times per day. | 0.5 spaces per <i>dwelling unit</i> |

 Table 143-07D

 Parking Reduction for Proximity to Transit

Footnotes for Table 143-07D

¹ through ² [No change in text.]

³ Section 142.0528 applies to *development* within the Parking Standards Transit Priority Area.

Section 2. That a full reading of this Ordinance is dispensed with prior to passage, a

written copy having been made available to the Council and the public prior to the day of its

passage.

Section 3. That prior to becoming effective, this Ordinance shall be submitted to the San

Diego County Regional Airport Authority (SDCRAA) for a consistency determination.

(O-2020-9)

That if the SDCRAA finds this Ordinance consistent with the Airport Land Use Compatibility Plans (ALUCP) for San Diego International Airport, Marine Corps Air Station Miramar, Gillespie Field, Montgomery Field, and Brown Field Airports (collectively, Airports), this Ordinance shall take effect and be in force on the thirtieth day from and after the finding of consistency, or on the thirtieth day from and after its final passage, whichever is later, except that the provisions of this Ordinance inside the Coastal Overlay Zone, which are subject to California Coastal Commission jurisdiction as a City of San Diego Local Coastal Program amendment, shall not take effect until the date the California Coastal Commission unconditionally certifies those provisions as a local coastal program amendment.

That if the SDCRAA determines that this Ordinance is inconsistent or conditionally consistent, subject to proposed modifications, with the ALUCPs for the Airports, the Ordinance shall be submitted to the City Council for reconsideration.

That if the SDCRAA determines that this Ordinance is conditionally consistent with the ALUCPs for the Airports, but that consistency is subject to proposed modifications, the City Council may amend this Ordinance to accept the proposed modifications, and this Ordinance as amended shall take effect and be in force on the thirtieth day from and after its final passage, except that the provisions of this Ordinance as amended inside the Coastal Overlay Zone, which are subject to California Coastal Commission jurisdiction as a City of San Diego Local Coastal Program amendment, shall not take effect until the date the California Coastal Commission unconditionally certifies those provisions as a local coastal program amendment.

That a proposed decision by the City Council to overrule a determination of inconsistency or to reject the proposed modifications for a finding of conditional consistency shall include the findings required pursuant to Public Utilities Code section 21670 and require a two-thirds vote. The proposed decision and findings shall be forwarded to the SDCRAA, the California Department of Transportation, Division of Aeronautics, and the airport operators for the Airports. The City Council shall hold a second hearing not less than 45 days from the date the proposed decision and findings were provided, at which hearing any comments submitted by the public agencies shall be considered and a final decision to overrule a determination of inconsistency shall require a two-thirds vote.

That if the City Council makes a final decision to overrule a determination of inconsistency, this Ordinance shall take effect and be in force on the thirtieth day from and after that final decision, except that the provisions of this Ordinance inside the Coastal Overlay Zone, which are subject to California Coastal Commission jurisdiction as a City of San Diego Local Coastal Program amendment, shall not take effect until the date the California Coastal Commission unconditionally certifies those provisions as a local coastal program amendment.

Section 4. That no permits shall be issued for development that is inconsistent with the provisions of this Ordinance unless complete applications for such permits are submitted to the City prior to the date on which the applicable provisions of this Ordinance become effective.

Section 5. That Ordinances O-2020-1, O-2020-2, and O-2020-5 have been recently considered by the City Council which amend a San Diego Municipal Code section also amended by this Ordinance. Therefore, the City Clerk, with the written approval and concurrence of the City Attorney, is authorized to reconcile the numbering of that section and placement of text within this section upon the final passage of the Ordinances, without further action by the City Council, pursuant to San Diego Charter section 275.

APPROVED: MARA W. ELLIOTT, City Attorney

By <u>/s/ Corrine L. Neuffer</u> Corrine L. Neuffer Deputy City Attorney CLN:als 07/17/2019 Or.Dept: Planning Dept. Doc. No.: 2034951 2

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of <u>07/28/2020</u>.

ELIZABETH S. MALAND City Clerk

Approved:

By <u>/s/ Connie Patterson</u> Deputy City Clerk

KEVIN L. FAULCONER, Mayor

Vetoed:

(date)

KEVIN L. FAULCONER, Mayor

(Note: The date of final passage is July 30, 2020, which represents the day this ordinance was returned to the Office of the City Clerk with the Mayor's signature of approval.)

STRIKEOUT ORDINANCE

OLD LANGUAGE: Struck Out NEW LANGUAGE: Double Underline

ORDINANCE NUMBER O-_____ (NEW SERIES)

DATE OF FINAL PASSAGE _____

AN ORDINANCE AMENDING CHAPTER 14, ARTICLE 3, DIVISION 7 OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTIONS 143.0717, 143.0720, 143.0740, AND 143.0744 RELATING TO MODERATE INCOME HOUSING REGULATIONS.

§143.0717 Required Replacement of Affordable Units

(a) An *applicant* is ineligible for a *density* bonus or any incentive under this

Division if the property on which the *development* is proposed contains, or during the five years preceding the application, contained, rental *dwelling units* that have had the rent restricted by law or covenant to persons and families of *low income*, of *very low income*, or *moderate income*, or have been occupied by persons and families of *low income*, of *wery low income*, or *moderate income*, unless the proposed *development* replaces the affordable *dwelling units*, and either:

- (1) [No change in text.]
- (2) Provides all of the *dwelling units* as affordable to *low income*, or *very low income*, or *moderate income* households, excluding any manager's unit(s).
- (b) The number and type of required replacement dwelling units shall be determined as follows:
 - (1) [No change in text.]

(2) If all of the dwelling units are vacant or have been demolished within the five years preceding the application, the development must contain at least the same number of replacement dwelling units, of equivalent size and bedrooms, as existed at the highpoint of those units in the five year period preceding the application, and must be made affordable to and occupied by persons and families in the same or a lower income category as those in occupancy at that same time. If the income categories are unknown for the highpoint, it is rebuttably presumed that the *dwelling units* were occupied by very low income, and low income, or moderate income renter households in the same proportion of very low income, and low income, or moderate income renter households to all renter households within the City of San Diego, as determined by the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database, and replacement dwelling units shall be provided in that same percentage.

(3) through (5) [No change in text.]

§143.0720 Density Bonus in Exchange for Affordable Housing Units

(a) through (b) [No change in text.]

- (c) A rental affordable housing *density* bonus agreement shall utilize the following qualifying criteria:
 - (1) through (4) [No change in text.]

(5) <u>Moderate income - At least 10 percent of the pre-density bonus</u> <u>dwelling units in the development shall be affordable to and</u> <u>occupied by moderate income households.</u>

(d) through (h) [No change in text.]

- (i) A *development* proposal requesting an affordable housing *density* bonus is subject to the following:
 - (1) [No change in text.]
 - (2) For development meeting the criteria for very low income households in Section 143.0720(c)(1), the density bonus shall be calculated as set forth in Table 143-07A. The increased density shall be in addition to any other increase in density allowed in this Division, up to a maximum combined density increase of 50 <u>75</u> percent. For development meeting the same criteria within the Centre City Planned District, the bonus shall apply to the maximum allowable floor area ratio applicable to the development consistent with Section 156.0309(e).
 - (3) For development meeting the criteria for low income households in Section 143.0720(c)(2), the density bonus shall be calculated as set forth in Table 143-07B. The increased density shall be in addition to any other increase in density allowed in this Division, up to a maximum combined density increase of 50 <u>75</u> percent. For development meeting the same criteria within the Centre City Planned District, the bonus shall apply to the maximum allowable

floor area ratio applicable to the *development* consistent with Section 156.0309(e).

(4) For development meeting the criteria for moderate income households in Section 143.0720(c) and (d), the density bonus shall be calculated as set forth in Table 143-07C. The increased density shall be in addition to any other increase in density allowed in this Division, up to a maximum combined density increase of 50 percent. For development meeting the same criteria within the Centre City Planned District, the bonus shall apply to the maximum allowable floor area ratio applicable to the development consistent with Section 156.0309(e).

(5) through (10) [No change in text.]

§143.0740 Incentives in Exchange for Affordable Housing Dwelling Units

An *applicant* proposing *density* bonus shall be entitled to incentives as described in this Division for any *development* for which a written agreement and a deed of trust securing the agreement is entered into by the *applicant* and the President and Chief Executive Officer of the San Diego Housing Commission. The City shall process an incentive requested by an *applicant* as set forth in this Section.

(a) through (d) [No change in text.]

| Percent Very Low Income Units | Percent Density Bonus | Number of Incentives | |
|----------------------------------|--------------------------|----------------------|--|
| 5 | 20 | 1 | |
| 6 | 22.5 | 1 | |
| 7 | 25 | 1 | |
| 8 | 27.5 | 1 | |
| 9 | 30 | 1 | |
| 10 | 32.5 | 2 | |
| 11 | 35 | 2 | |
| 12 | 38.75 | 3 | |
| 13 | 42.5 | 4 | |
| 14 | 46.25 | 4 | |
| > 15 | 50 <u>1</u> | 5 | |

Table 143-07A Very Low Income Density Bonus Households

¹Once this maximum is reached, an additional 25 percent *density* bonus is allowed if an additional 10 percent of the pre-*density* bonus units are restricted in accordance with the provisions of this Division for households earning less than or equal to 120 percent of the area median income, as adjusted for household size, and the *development* is within a *transit priority area*.

Table 143-07B Low Income Density Bonus Households

| Percent Low Income Units | Percent Density Bonus | Number of Incentives |
|-----------------------------|--------------------------|----------------------|
| | | |
| 10 | 20 | 1 |
| 11 | 21.5 | 1 |
| 12 | 23 | 1 |
| 13 | 24.5 | 1 |
| 14 | 26 | 1 |
| 15 | 27.5 | 1 |
| 16 | 29 | 1 |
| 17 | 30.5 | 1 |
| 18 | 32 | 1 |
| 19 | 33.5 | 1 |
| 20 | 35 | 2 |
| 21 | 38.75 | 2 |
| 22 | 42.5 | 2 |
| 23 | 46.25 | 2 |
| <u>≥ 24 - 29</u> | 50 <u>1</u> | 2 |

| Percent Low Income Units | Percent Density Bonus | Number of Incentives |
|-----------------------------|--------------------------|----------------------|
| ≥ <u>30</u> | 50 <u>1</u> | 3 |
| 31 - 32 | 50 <u>1</u> | 4 |
| ≥ 33 | 50 <u>1</u> | 5 |

¹Once this maximum is reached, an additional 25 percent *density* bonus is allowed if an additional 10 percent of the pre-*density* bonus units are restricted in accordance with the provisions of this Division for households earning less than or equal to 120 percent of the area median income, as adjusted for household size, and the *development* is within a *transit priority area*.

Table 143-07C Moderate Income Density Bonus Households

[No change in text.]

§143.0744 Parking Ratios for Affordable Housing

Upon the request of an *applicant* for a *development* meeting the criteria in

Sections 143.0720(c), 143.0720(d), 143.0720(e), 143.0720(f), or 143.0720(h), the

vehicular parking ratios in Table 143-07D, as may be applicable, or those set forth

in Chapter 14, Article 2, Division 5, inclusive of disabled and guest parking,

whichever is lower, shall apply, the City shall apply the following regulations:

- (a) For a development that meets the criteria for moderate income households in Section 143.0720(d)(3), the vehicular parking ratios set forth below shall apply, inclusive of disabled and guest parking:
 - (1) Zero to one bedroom: one onsite parking space.
 - (2) Two to three bedrooms: two onsite parking spaces.
 - (3) Four and more bedrooms: two and one-half parking spaces.
 - (4) Additional reductions of 0.25 spaces per dwelling unit shall be granted for development that is at least partially within a transit area as described in Chapter 13, Article 2, Division 10 (Transit

-PAGE 6 OF 8-

Area Overlay Zone), or that is subject to Chapter 13, Article 2, Division 11 (Urban Village Overlay Zone).

- (b) For a development that meets the criteria for very low and low income rental dwelling units in Section 143.0720(e) or senior housing in Section 143.0720(e), the vehicular parking ratios in Table 143-07D, as may be applicable, or those set forth in Section 142.0527(a)(3), inclusive of disabled and guest parking, whichever is lower, shall apply.
- (e) For purposes of this Division, a *development* may provide onsite parking through tandem parking or uncovered parking, but not through on-street parking or parking within a required front *yard setback*.
- (d) Parking reductions for a *development* providing rental and for-sale affordable housing for *very low income* and *low income* households in accordance with Sections 143.0720(c) and 143.0720(d), rental housing for senior citizens in accordance with Section 143.0720(e), or housing for transitional foster youth, disabled veterans, or homeless persons in accordance with Section 143.0720(f), that meet transit proximity requirements are set forth in Table 143-07D.

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| Type of Development | Percent Affordable | Transit Requirement ³ | Parking Ratio for Development ¹ |
|--|---|--|--|
| Rental or for-sale development containing market rate and low income and/or very low income and/or moderate income dwelling units • Very low income • Low income • Moderate income Rental housing • Low, & very low and moderate income | 11% 20% <u>10%</u> 100% ² | The development is located within a <i>Ftransit Ppriority Aarea</i> | 0.5 spaces per bedroom 0.5 spaces per dwelling unit |
| Rental housing with an affordable housing cost to lower income senior citizens in accordance with California Civil Code Sections 51.3 and 51.12 | 100% ² | The <i>development</i> shall have either paratransit service, or be located within ½ mile of unobstructed access to a fixed bus route service that operates at least eight times per day. | 0.5 spaces per <i>dwelling unit</i> |

Table 143-07DParking Reduction for Proximity to Transit

Footnotes for Table 143-07D

¹ through ² [No change in text.]

³ Section 142.0528 applies to development within the Parking Standards Transit Priority Area.

CLN:als 07/17/2019 Or.Dept: Planning Dept. Doc. No.: 2034949_2

| Passed by the Council of The Cit | y of San Dieg | o on <u>J</u> | IL 2 8 2020 | _, by the following vote: |
|--|---------------|----------------|------------------------------------|---------------------------------------|
| Councilmembers | Yeas | Nays | Not Present | Recused |
| Barbara Bry | Ø | | | |
| Jennifer Campbell | \square | | | |
| Chris Ward | Ζ | | | |
| Monica Montgomery | Z | Ū | | |
| Mark Kersey | \square | □ · | | |
| Chris Cate | Z | | | |
| Scott Sherman | Ø | | | |
| Vivian Moreno | \square | | | |
| Georgette Gómez | \square | | | |
| Date of final passageJUL 🖁 | 0 2020 | • | | |
| AUTHENTICATED BY: | | Mavo | KEVIN L. FAI r of The City of S | JLCONER Jan Diego, California. |
| | | mayo | ELIZABETH S | - |
| (Seal) | | City Cle | | San Diego, California. |
| | | By Co | nnie Part | TIMON, Deputy |
| I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on | | | | |
| JUL 3 0 2019 | , ai | nd on | JUL 3 0 2020 | · · · · · · · · · · · · · · · · · · · |
| I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage. | | | | |
| | | | ELIZABETH | |
| (Seal) | | City Cle By | rk of The City of | San Diego, California. |

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Office of the City Clerk, San Diego, California

Ordinance Number O- 21222