



City Councilmember Scott Sherman

District 7

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Council Approves Commercial Flexibility Code Update to Increase Housing Stock

*Code Change Will Help Improve Housing Shortage
and Reduce Vacant Storefronts*

San Diego – Today, the City Council approved the 12th update to the City’s Municipal Code and Local Coastal Program. One of the code updates include flexibility options for residential developments requiring commercial use on the ground floor of buildings.

This housing reform which was first introduced by former Councilmember David Alvarez and Councilmember Scott Sherman gives building owners the option to convert unused ground floor store fronts into residential dwellings. The code change would help eliminate blight caused by empty storefronts and quickly produce additional housing units on the ground floors of many buildings.

While mixed use developments have been successful in some parts of the city, they have failed in neighborhoods with less foot traffic. Also, the shrinking demand for retail space due to online shopping and the high costs of tenant improvements for restaurants have left many commercial spaces vacant throughout the city.

Opening this space for residential use will quickly produce additional housing units to help improve San Diego’s housing crisis.

San Diego is facing a severe housing crisis that is forcing younger generations to move out of the region. The cost of living is far outpacing income and San Diego families are consistently spending more than 30 percent of their incomes on housing. Average rent in San Diego now costs over \$1,700 a month and the median price of a home in the county well exceeds a half-a-million dollars. On average, San Diegans spend more of their annual income on housing than San Franciscans!

“Commercial flexibility provides building owners more options to better utilize their space by converting blighted empty space with much needed housing units,” said Councilmember Sherman. “While this is another step in the right direction to fix our housing crisis, much work needs to be done

“Commercial space that remains vacant for long periods of time can become a nuisance, and result in blight and underutilized space,” said Land Use & Housing Committee Chairwoman Vivian Moreno. “Allowing residential development on vacant ground floor spaces is a common sense approach and can give projects time to find commercial uses.”

“This commercial flexibility code update provides more options that will increase the housing stock in our region,” said Councilmember Sherman. “This important update will provide a mechanism to allow the market to dictate need in San Diego’s many diverse communities.”

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