




**COUNCILMEMBER VIVIAN MORENO**

**City of San Diego  
Eighth District**

**MEMORANDUM**

DATE: April 9, 2019

TO: Honorable Mayor Kevin Faulconer 

FROM: Councilmember Vivian Moreno, Chair, Land Use and Housing Committee

SUBJECT: Middle Income Density Bonus Program

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The City of San Diego is experiencing a housing crisis that must be addressed at all levels. One sector that has seen very little production in recent years is the construction of housing that serves the middle-income population in San Diego. The proposed action before the Land Use and Housing Committee on April 10<sup>th</sup>, is an incentive program that stands separate from the affordable housing density bonus program. I have had the opportunity to hear from stakeholders and members of the public regarding some changes that would improve the proposed program.

In order to ensure that a middle-income density bonus program does not impact the production of affordable units, I propose that the city's existing affordable housing density bonus program and a new voluntary middle-income program be combined, so that any project seeking a density bonus for middle income housing production also be required to build on-site affordable housing. This program would result in the production of more middle-income units, and would allow more units to be produced, thus increasing the overall supply of housing in San Diego. It is important that a middle-income program truly serve the population that is not eligible for affordable housing programs, but has been priced out of the housing and rental markets. Middle-income units built through this program should be deed restricted and staff should examine a way to require the production of these units so that they are available for a range of AMI levels from 80%-120% AMI. The program should be available for both mixed-income and 100% affordable developments and should allow for developers to rent or sell their deed restricted units

to any household at or below the 120% threshold. The same anti-displacement rules as the affordable housing regulations should also be included in order to protect against the unnecessary displacement of existing affordable units.

Structuring a middle-income density bonus program in this way will prevent it from negatively impacting the production of affordable units, will serve families most closely associated with the targeted AMI levels and will provide projects with the ability to increase the overall production of units built. I look forward to discussing this issue and hearing additional input from stakeholders and committee members.

CC: Honorable City Councilmembers  
Honorable City Attorney Mara Elliott  
Andrea Tevlin, Independent Budget Analyst