

September 15, 2021

Shannan West
Land Use & Planning Unit Chief
Division of Housing Policy Development
California Department of Housing & Community Development
2020 W. El Camino Ave, Suite 500
Sacramento, CA 95833

Subject: City of San Diego's 6th Cycle General Plan Housing Element Letter

Dear Ms. West,

Thank you for your letter to Mayor Todd Gloria on September 10, 2021 providing the final certification of the City of San Diego's 6th Cycle General Plan Housing Element (Housing Element). The City appreciates the Department of Housing and Community Development (HCD) staff's collaborative efforts to work with our staff to address the numerous Housing Element requirements in state law. The City looks forward to continuing to work with HCD to apply for the Pro-Housing Designation and pursue state funding to construct more affordable housing and infrastructure in San Diego.

Regarding HCD's comments on public participation, the City remains committed to meeting the goals and implementing the programs in the Housing Element by meaningfully collaborating with the public and stakeholders. The public process and timing for the adoption of the Housing Element amendments on June 8, 2021 was determined by the need to comply with HCD's May 17, 2021 letter, which provided the City with 30 days to amend the element. The amendments were made to address requirements related to Affirmatively Furthering Fair Housing (AFFH) and make findings related to redevelopment of non-vacant sites. The process was also determined by the need to follow HCD's *Affirmatively Furthering Fair Housing: Guidance for All Public Entities and for Housing Elements* document, which had only been released a few weeks before the City received the HCD letter. Although the City's ability to develop a public participation program for the amendments was constrained, the City included proposed AFFH actions in the amendments to ensure the public could participate in the development and adoption of the individual actions as they are developed in the future. As the Housing Element programs are implemented during the 6th Cycle, meaningful public participation will continue to be a strong component of our process as it was in our 2019 and 2020 process to prepare the Housing Element. In addition, the Planning Department recently hired a new Public Engagement Program Manager which is the first step in developing a public engagement program to further enhance opportunities to participate in the planning process, with a focus on ensuring that the process is equitable and that input utilized reflects the diversity of San Diego's community members.

Regarding HCD's comments on the potential for additional development on non-vacant sites and AFFH, since its adoption, steps have been taken to implement the actions and programs included in the Housing Element. The status of the City's Housing Element Programs has

been attached to this letter for your review and information. In July 2021, Mayor Gloria announced his Homes for All of Us initiative which will help implement several actions outlined in the Housing Element. The Homes for All of Us initiative includes proposed amendments to the City's Land Development Code that accomplish the following:

- Allow off-site density bonus units construction and 100% affordable housing developments in communities with less than 5% deed-restricted affordable housing if the receiver site is located in a high/highest resource area within a Transit Priority Area (TPA).
- Allow for affordable housing development on public agency and non-profit affiliated properties.
- Allow for affordable housing in commercial zones that currently do not allow housing.
- Incentivize the development of accessible housing units and units for families with three or more bedrooms.
- Incentivize the development of housing on existing auto-oriented uses within a TPA.
- Permanently require the replacement of affordable housing when it is redeveloped into new housing units.
- Expanded anti-displacement program which will require development within traditionally underserved communities which includes priority preference of new affordable housing units to members of the existing community.
- Create additional programs to construct Single Room Occupancy units to provide more entry level living options for the unhoused population.

The City is currently conducting a robust public engagement process for the Homes for All of Us code amendments, with completion of two public workshops in August and initiation of a public review period of the proposal expected within the next week. The Homes for All of Us Land Development Code amendments are on track for City Council adoption by the end of 2021.

Homes for All of Us also included the creation of a Middle-Income Housing Working Group consisting of 22 representatives from developers, financial institutions, building trades, think tanks, and affordable housing advocates. These individuals will meet in 2021 to prepare policy and financing recommendations that can be acted upon quickly by the Mayor and City Council. Finally, Homes for All of Us includes the preparation of Blueprint San Diego, which is funded by HCD's Local Early Action Planning program and will accelerate the creation of new housing through faster community plan updates and help the City meet its climate action goals through a data-driven approach to sustainable growth. The Homes for All of Us initiative is implementing several of the program actions listed in the Housing Element and will provide more housing opportunities for more residents throughout the City while protecting existing residents from displacement.

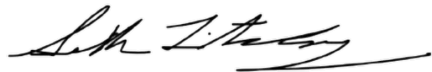
The City has taken additional actions to implement the Housing Element Amendments adopted in June. The City is moving expeditiously on the Access to Opportunities and Housing Legislative and Action Package and significant milestones have been achieved on all aspects of the program. The City adopted the Parks Master Plan in August 2021, setting an equity-based approach to funding park improvements based on need. The City has continued to make progress on Infrastructure Now, already partially adopted through the Parks Master Plan, which will prioritize equity and need in the distribution of funds and infrastructure planning for libraries, fire stations, mobility improvements, and other public amenities.

The City's community planning updates are focused on allowing more housing in high resource communities, with updates in Clairemont, University, Mira Mesa, and Hillcrest all targeting completion in 2022. The City continues to implement Complete Communities with the first residential project nearing completion and has been able to collect its first Neighborhood Enhancement Fees under the program which are distributed to the areas in the City with the greatest need.

The City believes these actions represent a strong commitment to furthering fair housing and developing sustainable, infill housing identified in the Housing Element Sites Inventory, and the City remains dedicated to implementing additional actions in the future.

The City of San Diego appreciates the final certification of the Housing Element and HCD's determination that the Housing Element is in substantial compliance with State Housing Element Law. We are committed to continuing our working relationship with HCD and implementing the Housing Element over the next several years.

Sincerely,



Seth Litchney
Program Manager, Planning Department

CC: Jessica Lawrence, Director of Policy, Office of San Diego Mayor Todd Gloria
Jeff Sturak, Deputy Chief Operating Officer, City of San Diego
Adrian Granda, Director of Government Affairs, Office of San Diego Mayor Todd Gloria
Mike Hansen, Director, City of San Diego Planning Department
Megan Kirkeby, Deputy Director, California Department of Housing and Community Development
Paul McDougall, Housing Policy Manager, California Department of Housing and Community Development
Sohab Mehmood, Housing Policy Analyst, California Department of Housing and Community Development

Attachment 1: City of San Diego Housing Element Program Status

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HE Page	Program	Status
HE-44	Adequate Sites Inventory	Developing a dashboard to monitor compliance with SB 1333 (“No Net Loss”) and monitor housing capacity as building and discretionary permits are processed.
HE-44	Community Plan Updates (CPUs)	Clairemont, University and Mira Mesa CPUs and Plan Hillcrest CPA to the Uptown Community Plan continuing.
HE-47	Annual Municipal Code Updates	2020 Code Update adopted in January 2021 (effective March 3, 2021 outside of State coastal zone). Included regulatory reforms to facilitate by-right development in airport overlay zones, Downtown, commercial-residential permitted zones, high-density residential zones, multi-unit residential zones, and underutilized ground-floor commercial spaces. 2021 Code Update will begin public hearings for adoption in Fall 2021.
HE-50	Accessory Dwelling Unit Incentive Program	Accessory Dwelling Unit Incentive Program adopted as part of Housing Code Update package in October 2020, with effective date of November 29, 2020 outside of State coastal zone. Coastal Commission certification for areas within State coastal zone anticipated in Fall 2021.
HE-50	Moderate Income Density Bonus Program	Moderate Income Density Bonus Program adopted in 2020 and revised in the 2020 Code Update (adopted in January 2021) to remove complicated requirements and increase incentives.
HE-59	Temporary Bridge Shelters	City and San Diego Housing Commission will be opening a new bridge shelter for people with addiction and mental illness experiencing homelessness in October 2021, on City-owned property in the Midway-Pacific Highway community.
HE-76	Affirmatively Furthering Fair Housing	Fair Housing Service Provider secured and providing services for City fiscal year 2022 (July 2021–June 2022)
HE-76, HE- 116-118	Access to Opportunities and Housing Legislative and Action Package	<ul style="list-style-type: none"> Complete the Plan Hillcrest, University, Mira Mesa, and Clairemont Community Plan Updates (CPUs) and Amendments (CPAs) to allow for more affordable housing in high opportunity areas

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		<ul style="list-style-type: none"> ○ Clairemont, University and Mira Mesa CPUs and Plan Hillcrest CPA to the Uptown Community Plan continuing. • Develop initiative to open up housing opportunities for all income groups in all zones that allow residential development <ul style="list-style-type: none"> ○ Homes for All of Us: Middle Income Housing Working Group ○ Homes for All of Us: Affordable Housing in All Communities ○ Homes for All of Us: Incentivize Climate-Friendly Housing Near Transit ○ Homes for All of Us: Housing on Underutilized Commercial Sites • Allow affordable housing development on public agency and non-profit affiliated properties <ul style="list-style-type: none"> ○ Homes for All of Us: Housing at City Facilities • ADA Accessible Housing Incentive Program <ul style="list-style-type: none"> ○ Homes for All of Us: Housing Accessibility Program • By-right residential development in all commercial zones with access to transit <ul style="list-style-type: none"> ○ Homes for All of Us: Blueprint SD ○ Homes for All of Us: Incentivize Climate-Friendly Housing Near Transit ○ Homes for All of Us: Housing on Underutilized Commercial Sites ○ Homes for All of Us: Affordable Housing in All Communities • Off-site density bonus program to allow units outside of same plan area if receiver site is in a high resource area within a TPA <ul style="list-style-type: none"> ○ Homes for All of Us: Affordable Housing in All Communities • Large family unit affordable housing incentive program <ul style="list-style-type: none"> ○ Homes for All of Us: Housing for Families

HE Page	Program	Status
		<ul style="list-style-type: none"> • Implement Complete Communities: Housing Solutions <ul style="list-style-type: none"> ○ The first residential project utilizing the Complete Communities: Housing Solutions incentive program are beginning to start construction, for example the Secoya on Fifth project in the Bankers Hill neighborhood. Additional residential projects are applying to utilize the opt-in program. • Extension of SB 330 Dwelling Unit Protection Regulations <ul style="list-style-type: none"> ○ Homes for All of Us: Affordable Housing Protection for Communities • Priority preference ordinance for new affordable units <ul style="list-style-type: none"> ○ Homes for All of Us: Affordable Housing Protection for Communities • Implement SRO preservation ordinances updates <ul style="list-style-type: none"> ○ Homes for All of Us: Entry-Level Housing • Adopt Parks Master Plan <ul style="list-style-type: none"> ○ Parks Master Plan was adopted August 3, 2021 • Implement Neighborhood Enhancement Fee <ul style="list-style-type: none"> ○ Planning Department is currently working on the administrative tasks to create expenditure mechanisms for Neighborhood Enhancement Fee
HE-77, HE-118-119	Fair Housing Legislative and Action Package	<ul style="list-style-type: none"> • Develop greater tenant protections for City Council consideration <ul style="list-style-type: none"> ○ Staff currently reviewing existing State and local tenant protections and developing potential new tenant protection proposals • Allocate funding for youth programs and other services in RECAPs and segregated areas <ul style="list-style-type: none"> ○ Mayor's "Back to SD" budget for the current fiscal year that began

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		<p>in June 2021 provides \$1 million to support the San Diego Workforce Partnership's Connect2Careers program and bolster youth employment.</p> <ul style="list-style-type: none"> • Pursue increasing public transportation services and decreasing costs for residents reliant on transit <ul style="list-style-type: none"> ○ MTS September 1 roll-out of new Pronto fare system which includes fare capping for individuals who purchase transit day passes so that they won't have to cumulatively pay more than the cost of a monthly transit pass • Partner with local schools to increase awareness of and pathways to employment <ul style="list-style-type: none"> ○ Climate Resilient SD and Environmental Justice Element projects are working to engage students at local high schools, Planning Department Mentorship/Internship Committee, and City Human Resources Department Internship and Work Readiness Program work with the San Diego Promise Zone
HE-114	Equity-Specific Outreach	<p>Planning Department is developing and utilizing equity-specific outreach efforts in the Climate Resilient SD plan development process in 2021 and will be incorporating equity-specific outreach efforts in the Environmental Justice Element plan development process in 2021 and 2022.</p>
HE-114	Language Access Plan	<p>The office of the City Clerk is increasing access to translation and interpretation services for City Council hearings. The Planning Department is drafting language access procedures to improve and institutionalize its developing translation and interpretation service offerings.</p>