

DRAFT CODE LANGUAGE



143.0745

Program	Description	Details	Code Section
Affordable Housing Protection for Communities	Minimizes displacement of existing residents through redevelopment. Provides any residents affected by redevelopment enhanced protections and affordable housing options, including units dedicated for current members of the community.	<p>Permanently require the replacement of affordable housing when it is redeveloped into new housing units.</p> <p>Require development within traditionally underserved communities to offer priority preference of new affordable housing units to members of the existing community.</p>	143.1203 143.1205 143.0720(i)(17) <p>**IF YOU RIGHT CLICK AND OPEN THE LINK, IT WILL TAKE YOU DIRECTLY TO THE CODE SECTIONS IN THIS COLUMN.</p>
Entry-Level Housing	Creates more availability of single-room occupancy (SRO) units, which are the first rung on the housing ladder, often serving those at risk of homelessness.	Create additional programs to construct SRO units and rehabilitate and preserve existing SROs to provide more entry-level living options for the unhoused population.	143.0745(d)(f)
Housing Accessibility Program	Provides incentives to create more ADA-accessible housing for individuals with disabilities and older San Diego residents.	<p>Allow increases in height and FAR, setback reductions, additional density bonus, or other incentives for development that exceeds the State of California housing accessible unit requirements.</p> <p>When an accessible dwelling unit is provided that exceeds the requirements for compliance with the number of housing accessibility requirements of the California Building Code by:</p> <p>one accessible dwelling unit and shall be eligible for two incentives, two accessible units are eligible for three incentives, and three or more accessible units are eligible for five incentives.</p>	145.4001
Housing for Families	Provides additional density bonuses in housing developments with units that have three or more bedrooms. Additional units could be built on a site if the units are affordable.	<p>Incentivize the construction of 3+ bedroom units by providing an additional 10% density bonus if those units have three or more bedrooms.</p> <p>Another bonus is if the 3+ bedroom units are in the moderate income category.</p> <p>Model incentives based on the Downtown incentive programs.</p>	143.0720(i)(2) & (i)(15)

Program	Description	Details	Code Section
Affordable Housing in All Communities	Update City codes to allow for more affordable homes in communities with little to no affordable housing that are close to job centers, quality schools, transit and parks.	<p>In communities with less than 5% deed-restricted affordable housing:</p> <p>Allow off-site density bonus units construction</p> <p>Allow 100% affordable/middle income housing developments</p> <p>Location must also be High/Highest Resource Areas and Transit Priority Areas (TPAs).</p>	143.0745(b) 142.1305(a)(4)
Employee Housing Incentive Program	Provide housing affordable to employees while also incentivizing job creation and supporting the business community's post-COVID recovery.	<p>Allow non-residential projects in TPAs to receive incentives if affordable/middle income housing is built or funded through the San Diego Housing Commission's Housing Trust Fund.</p> <p>Modeled after existing programs for residential development – expands option to commercial development.</p> <p>Builds off the success of the incentive programs available Downtown.</p>	143.0742(a-d) 98.0502(a-c)
Housing on Non-Profit Sites	Open housing development opportunities on underutilized sites owned by non-profit organizations.	<p>Allow more affordable and middle-income housing on eligible sites.</p> <p>Allow more housing on non-profit sites, likes church parking lots and non-profit healthcare facilities.</p>	143.0746(b)
Housing on Underutilized Commercial Sites	Allow housing on vacant or underused commercial sites to increase housing supply, including mixed-use sites with business and housing options.	<p>Allow for affordable housing in commercial zones that currently do not allow for housing when a certain percentage of affordable housing units are provided.</p> <p>Allow residential development in Downtown Employment Overlay Zone while still providing active commercial on ground floor.</p>	143.0746(c) 156.0307(b)(6)(a-b)
Live/Work Flexibility	Create more live/work units to promote working from home and telework opportunities.	<p>Eliminate barriers to allowing residential space in appropriate areas designed for office use.</p> <p>Minimum requirement for living and working space will be reduced.</p>	131.0623 141.0311(b)
Incentivize Climate-Friendly Housing Development Near Transit	Achieve the City's climate goals by incentivizing housing construction on existing auto-oriented locations.	<p>Provide additional incentives and density bonus in TPAs for housing development on existing auto-oriented land uses, such as drive-thru restaurants and auto dealerships.</p> <p>Intended to catalyze development in transit-supportive areas like El Cajon Boulevard.</p>	142.0720(l)(16)
Housing at City Facilities	Create new policies and plans to use existing and new publicly owned sites to allow the building of affordable and middle-income housing more quickly.	<p>Allow more affordable and middle-income housing on public-owned sites.</p> <p>Identify potential code amendments to facilitate housing development within City-owned facilities.</p>	143.0746(b)

Affordable Housing Protection

§143.1203 When the Dwelling Unit Protection Regulations Apply

This Division applies to the following *developments* with a complete *development* application after ~~between~~ January 1, 2020 and December 31, 2024:

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

~~§143.1205 Expiration of the *Dwelling Unit* Protection Regulations~~

~~Consistent with California Government Code Section 66301, the regulations of this Division shall remain in effect until January 1, 2025, and as of that date are repealed unless a later enacted ordinance deletes or extends that date~~

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Housing for Families and
Incentivize Climate Friendly Housing Development Near Transit

§143.0720 Density Bonus in Exchange for Affordable Housing Units

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

(i) A *density* bonus agreement for a *development* within a *transit priority area* providing 100 percent of the total pre-*density* bonus and post-*density* bonus *dwelling units* as affordable to *very low income*, *low income*, and *moderate income* households shall utilize the following qualifying criteria:

(1) [No change in text.]

(2) Rents for all *dwelling units* in the *development* shall be established as follows:

(A) Through (B) [No change in text.]

(C) *Moderate income dwelling units* in the *development* shall be affordable, including an allowance for utilities, to *moderate income* households at a rent that does not exceed
- 30 percent of 110 percent of the area median income, ~~as adjusted for household size, appropriate for the *dwelling unit*.~~
except that:
- 20 percent of the *dwelling units* may be affordable up to 30 percent of 150 percent of the area median income, if those units contain at least three bedrooms, as adjusted for household size, appropriate for the *dwelling unit*.

(j) through (k) [No change in text.]

(l) 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.~~

(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.~~

(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.~~

(5) through (14) [No change in text.]

(15) For *development* meeting the criteria in Sections 143.0720(c)(1), 143.0720(c)(2), 143.0720(d)(1), 143.0720(d)(2), 143.0720(d)(3), 143.0720(e), 143.0720(f), 143.0720(g), 143.0720(h), or 143.0720(i); where an applicant provides at least 20% of the total units as three bedroom or greater, an additional density bonus of 20% shall be granted and an additional density bonus of 10% of the pre-density bonus units shall be granted if the density bonus units provided contain at least three bedrooms.

(16) For *development* meeting the criteria in Sections 143.0720(c)(1), 143.0720(c)(2), 143.0720(d)(1), 143.0720(d)(2), 143.0720(d)(3), 143.0720(e), 143.0720(f), 143.0720(g), 143.0720(h), or 143.0720(i); where the *premises* currently contains one or more of the following uses: Auto Repair Center, Auto Parts Sales, Auto Service and

Gas Stations, Oil Change and Lubrication Service, Tire Store, Car Dealer Storage, Car Wash, Parking Facilities or Drive-Thru restaurants and located within Mobility Zones 1, 2 or 3 and those uses are to be replaced with residential *development*, an additional density bonus of 20 percent shall be granted.

- (17) For a *development* located within Communities of Concern, residents living within one mile of the development at the time of application shall receive priority for 75 percent of the affordable dwelling units in the *development* that are reserved for *very low income, low income, or moderate income households*.

(m) through (n) [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) [No change in text.]

(b) Items not considered incentives by the City of San Diego include, but are not limited to the following:

- ~~(1) A waiver of a required permit;~~
- (2) to (4) [No change in text.]

(c) An incentive requested as part of a *development* meeting the requirements of Section 143.0720 shall be processed according to the following:

(1) Upon an *applicant's* request, *development* that meets the applicable requirements of Section 143.0720 shall be entitled to incentives pursuant to Section 143.0740 unless the City makes a written *finding* of denial based upon substantial evidence, of any of the following:

(A) [No change in text.]

(B) [No change in text.]

(C) The incentive would be contrary to state or federal law.
~~Requested incentives shall be analyzed in compliance with the California Environmental Quality Act as set forth in Chapter 12, Article 8, and no incentive shall be granted without such compliance; or~~

(D) [No change in text]

(2) ~~The granting of an incentive shall not require a General Plan amendment, zoning change, a *development permit*, or other discretionary approval.~~

(32) When a *development permit* is otherwise required, the decision to deny a requested incentive shall be made by the decision maker for the *development permit*.

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

Table 143-07B
Low Income Density
Bonus Households

Percent <i>Low Income</i> Units	Percent <i>Density</i> 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 <u>2</u>
18	32	1 <u>2</u>
19	33.5	1 <u>2</u>
20	35	2
21	38.75	2
22	42.5	2
23	46.25	2
³ 24 – 29	50 ¹	2 <u>3</u>
³ 30	50 ¹	3
31 - 32	50 ¹	4
³ 33	50 ¹	5

Employee Housing Incentive Program

143.0742 Incentives for ~~Commercial~~ Non-Residential Development

~~An applicant for a commercial development that has entered into an agreement with an applicant for a residential development that provides at least 15 percent of the dwelling units as affordable to very low income households or at least 30 percent of the dwelling units as affordable to low income households in accordance with Section 143.0720 shall be entitled to a development bonus in accordance with Government Code Section 65915.7(b) provided that:~~

- ~~(a) — The agreement shall be approved by the City Manager and identify how the applicant for the commercial development will contribute to affordable housing in one of the following ways:~~
 - ~~(1) — Directly constructing the affordable dwelling units;~~
 - ~~(2) — Donating a portion of the commercial site or another site that meets the criteria in Section 143.0742(b) for development of the affordable dwelling units; or~~
 - ~~(3) — Financially contributing to the development of the affordable dwelling units.~~
- ~~(b) — The residential development shall be located within the City of San Diego, in close proximity to public amenities, and within a Transit Priority Area.~~

An applicant for a non-residential development as defined in this section that contributes to the construction of affordable housing through the payment of the Employee Housing Incentive Program Fee shall be entitled to receive one or more incentives, subject to all of the following:

- (a) The non-residential development is located in a Transit Priority Area.
- (b) For the purposes of this section, non-residential development includes all subcategories within the Retail Sales, Commercial Services, and Office use categories, and the Light Manufacturing and Research & Development subcategories within the Industrial use category.

It does not include:

- (1) Separately Regulated Uses within these use categories; and
- (2) Residential mixed-use development.
- (c) The Employee Housing Incentive Program Fee shall be determined as follows:
 - (1) One incentive = \$(tbd) per square foot of gross floor area of the development.

- (2) Two incentives = \$(tbd) per square foot of *gross floor area* of the *development*.
- (d) Incentives shall be granted in accordance with Sections 143.0740(a)(1), 143.0740(b) and 143.0740(c), with the following exceptions:
- (1) Incentives may not be used to deviate from requirements related to *minimum floor area ratio* for residential uses.
- (2) *Floor Area Ratio* may not be increased by more than 0.5.

98.0502

Establishment of the San Diego Affordable Housing Fund

- (a) There is established a fund to be known as the San Diego Affordable Housing Fund. The Affordable Housing Fund shall consist of funds received from the commercial development linkage fees paid to the City pursuant to Chapter 9, Article 8, Division 6 of the San Diego Municipal Code; revenues from the Transient Occupancy Tax as provided in Section 35.0128 of the San Diego Municipal Code; funds received from the Employee Housing Incentive Program Fee paid to the City pursuant to Section 143.0742 of the San Diego Municipal Code; funds received from in lieu fees paid to the City and revenues received from promissory note repayments, shared equity payments, or other payments collected pursuant to Chapter 14, Article 2, Division 13 of the San Diego Municipal Code; and any other appropriations as determined from time to time by legislative action of the City Council. The Affordable Housing Fund shall be administered by the San Diego Housing Commission pursuant to the provisions of this Division, the appropriation ordinances and applicable Council policies.
- (b) There is also established within the Affordable Housing Fund, a San Diego Housing Trust Fund account. Except for funds received from the Employee Housing Incentive Program Fee paid to the City pursuant to Section 143.0742 of the San Diego Municipal Code and funds received from in lieu fees paid to the City and revenues received from promissory note repayments, shared equity payments, or other payments collected pursuant to Chapter 14, Article 2, Division 13 of the San Diego Municipal Code; all funds received by the Affordable Housing Fund, either from special funds or general fund appropriations, shall be deposited in the Housing Trust Fund account. The administration and use of monies from the San Diego Housing Trust Fund shall be subject to all provisions under this Division related to the Affordable Housing Fund.
- (c) There is also established within the Affordable Housing Fund, an Inclusionary Housing Fund account. Funds received from the Employee Housing Incentive Program Fee paid to the City pursuant to Section 143.0742 of the San Diego Municipal Code, and funds received from in lieu fees paid to the City and revenues received from promissory note repayments, shared equity payments, or other payments collected pursuant

to Chapter 14, Article 2, Division 13 of the San Diego Municipal Code shall be deposited in the Inclusionary Housing Fund account. The administration and use of monies from the Inclusionary Housing Fund shall be subject to all provisions under this Division related to the Affordable Housing Fund.

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Affordable Housing for All Communities
Entry-Level Housing
Housing Unit Mix

143.0745 Locating Required Affordable Dwelling Units Off-site

A *development* that complies with the Affordable Housing Regulations may provide all or a portion of the required affordable *dwelling units* off-site in accordance with the following:

- (a) [No change in text]
- (b) Off-site affordable *dwelling units* that do not meet the locational criteria in Section 143.0745(a), may be located in an area where the receiver site is within a *Transit Priority Area*, an area identified as a High or Highest Resource California Tax Credit Allocation Committee(CTCAC) Opportunity Area and the community planning area has less than five percent of its existing housing units as covenant-restricted very low, low, or moderate units.

RENUMBER (c) through (f)

- ~~(b)~~ (c) Off-site affordable dwelling units that do not meet the locational criteria in Section 143.0745(a) may be approved with a Process Four Planned Development Permit in accordance with Section 126.0604.
- ~~(e)~~ (d) At a minimum, the same number of affordable *dwelling units* required of the *development* must be provided, at the same affordability levels and the same total *bedroom* count as the *development*. The *applicant* may provide different *bedroom* mixes to meet the total *dwelling unit* and *bedroom* count minimums. For purposes of calculating total *bedroom* count, an affordable studio shall count as 60 percent of an affordable *bedroom* and an affordable SRO unit shall count as 40 percent of an affordable *bedroom*. Any calculations resulting in fractional units shall round up to the next whole number.

(d) through (e) RENUMBER

- (f) The affordable housing requirements of this Division may be satisfied by the rehabilitation of existing Single Room Occupancy Hotel rooms or the conversion of existing rooms in a motel or hotel to housing affordable to very low-income households subject to the following requirements:
 - (1) Housing costs, including an allowance for utilities, shall not exceed 30 percent of 50 percent of area median income.

- (2) The rehabilitated structure shall be located in a Transit Priority Area.
- (3) For purposes of calculating total bedroom count, an affordable studio shall count as 60 percent of an affordable bedroom and an affordable SRO unit shall count as 40 percent of an affordable bedroom. Any calculations resulting in fractional units shall round up to the next whole number.
- (4) The entire SRO or hotel/motel shall be rehabilitated by the applicant and the applicant shall provide a physical need assessment (PNA) for each room to be rehabilitated, and any associated common area. All items identified in the PNA needing repair or replacement of the time of the assessment or that will likely require repair or replacement within three years of the assessment shall be completed by the applicant during the rehabilitation work.
- (5) The applicant shall provide evidence that the renovated existing structure has a remaining useful life of 55 years from completion of the rehabilitation work.
- (6) The applicant shall provide evidence that the rehabilitation work complies with California Building Code requirements to the satisfaction of the City Building Official.
- (7) The applicant shall comply with the State Relocation Act codified in California Government Code Section 7260 and provide all costs of notice to, and relocation of, any existing tenants occupying the SRO hotel rooms to be rehabilitated at the time the application is deemed complete.

(fg) [no change in text]

Affordable Housing in All Communities
Housing on Non-Profit Sites and at City Facilities
Housing on Underutilized Commercial Sites

143.0746 Affordable Housing Where Otherwise Not Allowed

- (a) Affordable Housing uses not otherwise allowed in High or Highest Resource California Tax Credit Allocation Committee (CTCAC) Areas

Development in which 100 percent of the total *dwelling units*, exclusive of a manager's unit or units, are affordable to *very low income*, *low income*, or *moderate income* households, or is *permanent supportive housing*, transitional housing, SRO, or Emergency Shelters and is proposed on a *premises* located in a zone where multifamily residential uses are not otherwise allowed may be permitted in accordance with Process One, notwithstanding other regulations including Environmentally Sensitive Lands and Coastal Zone requirements, subject to all of the following:

- (1) The *premises* is located within a *Transit Priority Area*.
- (2) The *premises* is located in an area identified as a High or Highest Resource CTCAC Opportunity Area according to the most recent California State Treasurer TCAC/HCD Opportunity Area Maps.
- (3) The *premises* is located within a community planning area that has less than 5 percent of its existing housing units as covenant-restricted very low, low, or moderate units.
- (4) The *premises* is not located within an area identified as Industrial or Open Space in a land use plan.
- (5) The residential density shall be as follows:
 - (A) Within Mobility Zones 1 and 2, the maximum *floor area ratio* shall be 6.5;
 - (B) Within Mobility Zone 3, the maximum *floor area ratio* shall be 4.0
- (6) Development consistent with criteria in this section shall be entitled to Incentives and Waivers per sections 143.0740 through 143.0743.
- (7) Nothing in this section shall be exempt from the regulations contained within the Airport Land Use Compatibility Zone.
- (8) *Dwelling units* shall remain available for a period of 55

years or longer, as may be required by other laws or covenants.

- (b) Affordable Housing uses not otherwise allowed on a premise owned by a Public Agency or a nonprofit organization

Development in which 100 percent of the total *dwelling units*, exclusive of a manager's unit or units, are affordable to *very low income*, *low income*, or *moderate income* households, or is *permanent supportive housing* or *transitional housing* or Emergency Shelters and is proposed on a *premises* owned by a public agency or a non-profit qualified under 501(3)(c) and located in a zone where multifamily residential uses are not otherwise allowed may be permitted in accordance with Process One, unless other regulations apply including Environmentally Sensitive Lands and Coastal Zone requirements. *Development* shall be subject to all of the following:

- (a) The premises is located within Mobility Zone 1, 2, or 3.
- (b) The premises is not located within an area identified as Industrial or Open Space in a land use plan.
- (c) The residential density shall be as follows:
 - (A) Within Mobility Zones 1 and 2, the maximum *floor area ratio* shall be 6.5
 - (B) Within Mobility Zone 3, the maximum floor area ratio shall be 4.0
- (d) Development consistent with criteria in this section shall be entitled to Incentives and Waivers per sections 143.0740 through 143.0743.
- (e) Nothing in this section shall be exempt from the regulations contained within the Airport Land Use Compatibility Zone.
- (f) The affordable *dwelling units* shall remain available and affordable for a period at least 25 years.

- (c) Residential *development* proposed on a *premises* located in a Commercial zone where residential uses are not otherwise allowed may be permitted in accordance with Process One, subject to all of the following:

- (1) The *premises* is located within Mobility Zone 1, 2, or 3, as defined in section 143.1103.

- (2) At least 15 percent of the total *dwelling units* in the *development* are restricted for rent by households that do not exceed 30 percent of 60 percent of the area *median income*, as adjusted for household size, and at least 10 percent of the total *dwelling units* in the *development* are restricted for rent by households that do not exceed 30 percent of 120 percent of the area *median income* as adjusted for household size.
- (3) *Development* shall pay the Neighborhood Enhancement Fee, as set forth in section 143.1020.
- (4) The *development* shall be subject to the design regulations included in sections 131.0712 through 131.0718.
- (5) The permitted residential density shall be equal to the maximum allowed Floor Area Ratio of the base zone.
- (6) Nothing in this section precludes the development from using a density bonus program to increase the permitted residential density above the maximum FAR.
- (7) Nothing in this section shall be exempt from the regulations contained within the Airport Land Use Compatibility Zone.
- (8) *Dwelling units* shall remain available for a period of 55 years or longer, as may be required by other laws or covenants.

Downtown Employment Overlay District

156.0307 Land Use Districts

Twelve land use districts, shown in Figure B, define geographic areas that are subject to specific land use classifications. In addition, twelve overlay districts, shown in Figures C, D, and F, establish areas where additional requirements apply. Permitted land use classifications within each land use district are shown on Table 156-0308-A. Specific requirements for minimum percentages of active commercial uses and commercial uses on the ground-floor along street frontages are provided.

(a) [No change in text]

(b) Overlay Districts

The following Overlay Districts apply as illustrated in Figures C, D, and F:

- (1) Through (5) [No change in text]
- (6) Employment Overlay (E). To ensure adequate opportunities for employment based commercial uses, at least 50 percent of the *gross floor area* within each *development* in this overlay district shall be dedicated to *employment uses* such as professional office, education, *cultural uses*, retail, *hotel*, or similar commercial uses. Residential uses in this district shall not exceed 50 percent of the *gross floor area* within any *development*, unless at least one of the following conditions are met:
 - (a) The *development* includes no less than 90 percent of the Base Maximum FAR and a minimum of 70 percent of the ground-floor street frontage contains commercial uses as permitted in the base zone.
 - (b) *Development* that converts existing *floor area* in an existing *structure*, regardless of the percentage of Base Maximum FAR, if the *development* provides either 5% *very-low income*, 10% *low-income*, or 15% *moderate-income* affordable units on-site in accordance with the criteria in Section 143.0720 (c) and (d). An expansion of the existing *structure* shall be allowed subject to all applicable regulations.

Multiple *developments* on adjoining individually owned *lots* may satisfy the requirements of this section through the recordation of a legal covenant in a form approved by the City Manager and the City Attorney. Uses appropriate for the E overlay are identified in Table 156-0308-A, under Employment Overlay. (7) through (14) [No change in text.]

Housing Accessibility Program

Replace entire existing program from 145.4001

Chapter 14, Article 5: Building Regulations, Division 40: Housing Accessibility Program

§145.4001 Purpose

The purpose of the Housing Accessibility Program is to encourage residential development above what is required per Chapter 11A of the California Building Code and to increase the number of accessible dwelling units in the local housing supply that meet long term housing needs by offering incentives that facilitate this type of accessible design. The intent is to increase opportunities for persons with temporary, developing, or permanent disabilities to “age in place” and thereby reduce the potential for occupants to be displaced from their homes due to a disability. In addition, to allow those persons to visit neighboring dwelling units.

§145.4002 When Housing Accessibility Program Applies

- (a) The following proposed residential development is eligible for the Housing Accessibility Program:
- (1) Development or portion of development that exceeds the requirements for compliance with the number of housing accessibility requirements of the California Building Code (Chapter 11A).
 - (2) Development that is exempt from the accessibility requirements of the California Building Code (Chapter 11A).
 - (3) Development receiving deviations for reasonable accommodations in accordance with Section 131.0466 are not eligible for the Housing Accessibility Program.

§145.4003 Housing Accessibility Program Regulations and Development Incentives

- (a) The decision process for a *development* requesting an incentive shall be the same decision process that would be required if the incentive were not a part of the *development* proposal.
- (b) Incentives granted solely under the Housing Accessibility Program in accordance with Section 145.4003(e) shall not require a deviation from the underlying base zone.
- (c) An incentive shall not be granted where it would allow *development* that is inconsistent with the policies in the certified *Local Coastal Program land use plan* and development regulations of the Environmentally Sensitive Lands regulations.
- (d) The incentives available to a *development* shall be determined by the number of accessible *dwelling units*.
 - (1) When an accessible *dwelling unit* is provided that exceeds the requirements for compliance with the number of housing accessibility requirements of the California Building Code (Chapter 11A) by one accessible dwelling unit and shall be eligible for two incentives listed in Section 145.4003(e)(1-3).
 - (2) When an accessible *dwelling unit* is provided that exceeds the requirements for the number of accessible dwelling units of the California Building Code (Chapter 11A) by two accessible dwelling units and shall be eligible for three incentives listed in Section 145.4003(e)(1-4).
 - (3) When an accessible *dwelling unit* is provided that exceeds the requirements for the number of accessible dwelling units of the

California Building Code (Chapter 11A) by three or more accessible dwelling units shall be eligible for five incentives listed in Section 145.4003(e)(1-6).

(e) Incentives

An applicant for development eligible for one or more incentives pursuant to Section 145.4003, may select from the following incentives:

- (1) Any applicable setback regulations may be reduced up to 15 percent for the entire development.
- (2) The applicable lot coverage regulations may be exceeded up to 15 percent for the entire development.
- (3) Expedite processing for the entire development consistent with Council Policy.
- (4) A floor area ratio bonus up to a maximum of 25 percent the entire development.
- (5) A density bonus up to 25 percent based on the pre-bonus number of dwelling units for the entire development. This density bonus can be added to any other density bonus regulations the development is eligible for.

141.0311 Live/Work Quarters

Live/work quarters are studio spaces designed to integrate living space into the workspace in buildings that were originally are primarily designed for industrial or commercial occupancy that have been converted to integrate living space into the work space. Live/work quarters are permitted as a limited use in the zones indicated with an “L” in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations.

- (a) The minimum floor area of a live/work quarters shall be 500 square feet.
- (b) ~~A maximum of 49 percent of the~~ The minimum floor area shall be 250 square feet and of each live/work quarters may be used or arranged for residential purposes such as sleeping, kitchen, bathroom, and closet. The minimum floor area used or arranged for non-residential purposes shall be 250 square feet.
- (c) [No change in text] Each live/work quarters shall be separated by walls from other live/workquarters or other uses in the building.
- (d) [No change in text] Access to the live/work quarters shall be provided only from common accessareas, halls, or corridors and shall not be from other live/work quarters or other uses in the building.
- (e) [No change in text] Access to each live/work quarters shall be clearly identified in order toprovide for emergency services.
- (f) [No change in text] The non-residential use shall be managed by the resident.
- (g) [No change in text] Live/work quarters shall not be used for classroom instructional use, storageof flammable liquids or hazardous materials, welding or any open-flame work.
- (h) [No change in text] The required parking spaces for the non-residential use shall be in compliancewith Section 142.0560. The parking spaces shall not require designation for residential or non-residential uses.

§131.0623 Additional Use Regulations of Industrial Zones

The additional use regulations identified in this Section are applicable to uses where indicated in Table 131-06B. In addition to the use-specific regulations below, the combined gross floor area for the uses identified in Sections 131.0623(a), (b), (d), (h), (k), (m), and (n) shall not exceed 35 percent of the allowable gross floor area of the premises.

(a) to (i) [No change in text]

(j) These regulations are intended to enable living and working opportunities. The following regulations apply to Residential uses in the IP-3-1 zone and are permitted subject to the following:

(1) Residential development is permitted in accordance with the Business Park - Residential Permitted CPIOZ of the applicable community plan; subject to the following:

(2A) Residential development comprises no more than shall not exceed a maximum of 49 percent of the total lot area within the Business Park - Residential Permitted CPIOZ or a maximum of 49 percent of the gross floor area of the premises; and

(3B) Residential development complies with the development regulations of the residential zone identified in the Business Park - Residential Permitted CPIOZ of the applicable community plan, except that the lot area, lot dimensions, floor area ratio, and setback requirements of the IP-3-1 zone shall apply.

(2) Residential development is permitted without the Business Park - Residential Permitted CPIOZ to allow for a business park tenant to live in the adjoining residential space subject to the following:

(A) Live/work quarters in accordance with Section 141.0311;

(B) Shopkeeper units may include space for uses in accordance with Section 131.0623(j)(2)(C); and shall comply with the requirements in Section 141.0311.

(C) A maximum of 49 percent of the gross floor area on the premises may be used for residential uses. At least 51 percent of the gross floor area shall be used for Retail Sales, Commercial Services, Artisan Food and Beverage Producer, Offices, Research and Development, and Light Manufacturing.

- (D) The residential area and the business area must be occupied by the same tenant, and no portion of the residential area shall be rented or sold separately; and
- (E) The residential area is permitted above the business area, to the adjacent or in the rear of the business area, provided that there is internal access between the residential area and business area;

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142.1304 Inclusionary Affordable Housing Requirements

From July 1, 2020 through June 30, 2024, the requirements of subsections (a) and of this Section 142.1304 shall be implemented incrementally as set forth in the Inclusionary Affordable Housing Implementation and Monitoring Procedures Manual on file with the San Diego Housing Commission (Procedures Manual). Effective July 1, 2024, all residential *development* subject to this Division shall include inclusionary *dwelling units* as follows:

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

(e) *Development* of inclusionary *dwelling units* shall be subject to the following:

(1) The inclusionary *dwelling units* shall be constructed at the same time as the market-rate *dwelling units* and receive final inspection approval from the Building Official no later than the date that the market-rate *dwelling units* receive final inspection approval from the Building Official. The *applicant* may seek an alternative *development* schedule in accordance with Section 142.1310 and Section 142.1311.

(2) For purposes of inclusionary *dwelling units* on a different *premise* from the *development* and prior to the issuance of the first building permit, the *applicant* shall record a deed restriction that:

(A) Documents the required number of affordable *dwelling units* to be provided; and

(B) Assigns foreclosure rights of the *development* premises to the San Diego Housing Commission as follows:

(i) For new *development*, if the affordable *dwelling unit(s)* has not received a certificate of occupancy within 54 months of the issuance of the first building permit.

(ii) For an existing *structure(s)* if the affordable *dwelling unit(s)* has not received a certificate of occupancy within 36 months of the issuance of the first building permit.

(23) The inclusionary *dwelling units* shall be comparable in bedroom mix, design, and overall quality of construction to the market-rate *dwelling*

units in the *development*, as determined by the San Diego Housing Commission, except that the inclusionary *dwelling units* shall not be required to exceed three bedrooms per dwelling unit. For purposes of calculating total *bedroom* count for inclusionary *dwelling units* on a different *premise* from the *development*, the *applicant* may provide different *bedroom* mixes to meet the total *dwelling unit* and *bedroom* count minimums as follows:

- a. An affordable studio *dwelling unit* shall count as 60 percent of an affordable *bedroom* and;
- b. An affordable SRO unit shall count as 40 percent of an affordable *bedroom* and;
- c. One three-bedroom unit shall count as three micro units.

Any calculations resulting in fractional units shall round up to the next whole number. The square footage and interior features of the inclusionary *dwelling units* shall be good quality and consistent with current building standards for new housing in the City of San Diego.

- (34) Sale or lease of the inclusionary dwelling units shall follow the marketing requirements and procedures in the Procedures Manual.
- (45) Development of the inclusionary dwelling units shall follow all other requirements in the Procedures Manual.

142.1305 **Methods of Compliance**

- (a) The requirement to provide inclusionary *dwelling units* may be met in any of the following ways:
 - (1) Through (3) [No change in text]
 - (4) On different *premises* from the *development* that does not meet the locational criteria in Section 142.1305(a)(2) but within the City of San Diego, if the receiver site is within a *Transit Priority Area* in an area identified as a High or Highest Resource California Tax Credit Allocation Committee (CTCAC) Opportunity Area and the community planning area has less than 5 percent of its existing housing units as covenant-restricted very low, low, or moderate units.

(~~4~~5) By payment of an Inclusionary In Lieu Fee in accordance with Section 142.1306 in lieu of constructing all or a portion of the inclusionary *dwelling units* required in Section 142.1304(a) or Section 142.1304(b);

(~~5~~6) By rehabilitation of existing *dwelling units* or SRO *hotel* rooms or conversion of *guest rooms* in a *motel* or *hotel* to inclusionary *dwelling units* in accordance with Section 142.1307; or

(~~6~~7) By land donation in accordance with Section 142.1308.

(b) Through (c) [No change in text]

There is one other item to review not related to “Homes for All of Us”, regarding the Central Urbanized Planned District, please see next page.