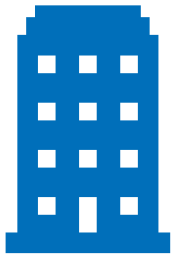


Housing Action Package 2.0

What is the Housing Action Package 2.0?

Amendments to the Land Development Code



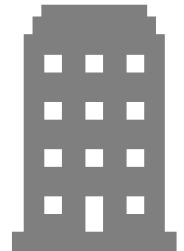
- Build upon the first Housing Action Package



- Allow / incentivize diverse range of home products & affordable homes

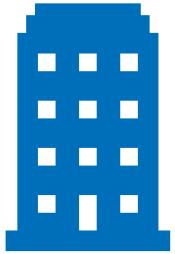


- Affirmatively further fair housing

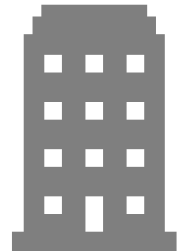


Why are Land Development Code amendments needed?

Adequate supply of homes to meet present and future demands



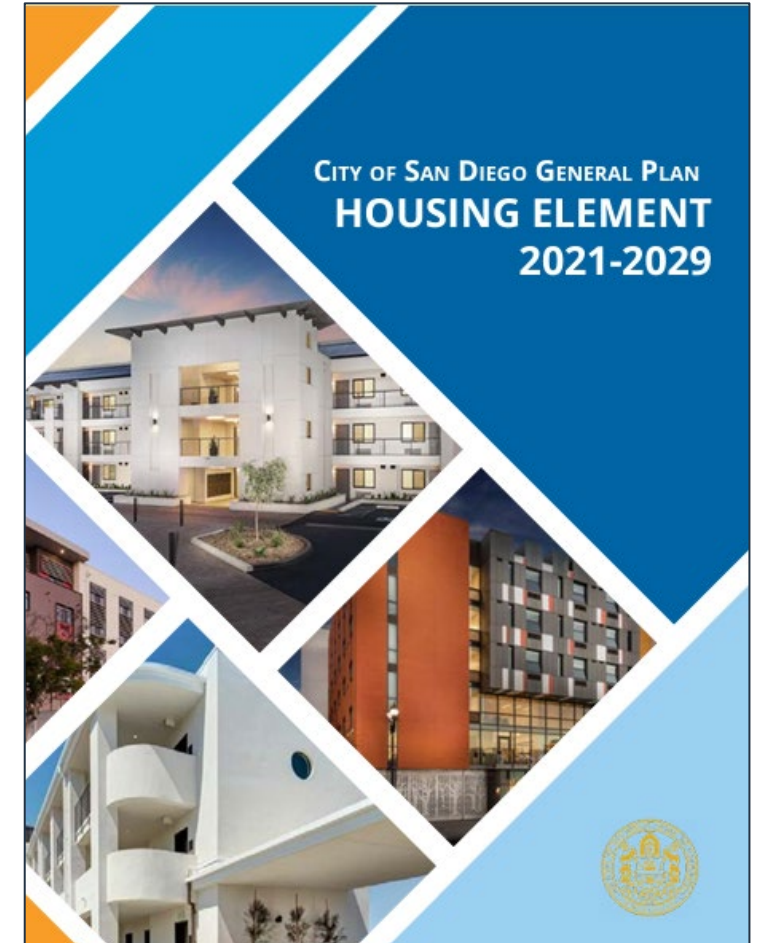
- Makes it easier to build more homes at all income levels and for all people
- Does not displace residents
- Implements goals and policies in:
 - General Plan – Housing Element
 - Community Plans
 - Climate Action Plan



Housing Element Consistency

Housing Element Goals:

- Goal 1: Facilitate the Construction of Quality Housing
- Goal 2: Improve the existing Housing Stock
- Goal 3: Provide New Affordable Housing
- Goal 5: Exemplify Sustainable Development and Growth



2021-2029 City Regional Housing Needs Allocation

Income Type (% of AMI*)	6 th Cycle RHNA Allocation
Very Low (<40%)	27,549
Low (40% to 80%)	17,331
Moderate (80% to 120%)	19,319
Above Moderate (>120%)	43,837
Total	108,036



*2022 San Diego Area Median Income: \$106,900

<https://www.sdhc.org/wp-content/uploads/2022/AMIIncomeRentChart-2022.pdf>

Housing Action Package 2.0 is:

- **Part 1:** Encourage the Development of New Homes
- **Part 2:** Strengthen Fair Housing
- **Part 3:** Missing Middle Housing
- **Part 4:** Thriving Neighborhoods



Housing Action Package

Changes from Planning Commission Workshop

- Attachment
- ✓ Memo
- Missing Middle Housing - Amended
 - On-site affordable housing incentives
 - Affordable housing In Lieu Fees
 - ✓ ADUs do not count toward unit count
 - ✓ ADUs not required to be affordable
- Complete Communities - Amended
 - DIF Waiver for homes with more than three bedrooms
 - 3 and 2 bedroom FAR bonus
 - Geographic location of off-site affordable homes

Housing Action Package

Changes from Planning Commission Workshop

- Homes on Publicly Owned Sites - Amended
 - Removed FAR Bonus in Mobility Zone 4
- Anti-Displacement Measures - Amended
 - Removed Priority Preference for Affordable ADUs
 - Priority Preference take effect as part of a future action of the Housing Authority/City Council
- Previously Conforming Harmful Uses – Amended
 - Set 15-year time frame for ending previously conforming uses

Housing Action Package

Changes from Planning Commission Workshop

- Accessory Dwelling Units – Amended
 - Minor ADUs removed
- Off-Campus Student Housing – Amended
 - Separated requirements for Student Housing from Fraternities and Sororities
- Building Permit Extension – New
- Neighborhood Enhancement Fee Resolution – New

Housing Action Package 2.0

Encouraging New Homes

- New homes on public land
- New homes for students
- Limiting Oversupply of parking / Allowing efficient use of land



1. Implementation of Assembly Bill 2097

AB 2097 is presently in effect and mandatory

- Limits *oversupply of parking* to allow for most productive uses of lands that bring more jobs, homes, and public spaces.
- In Transit Priority Areas, allows development to provide needed parking while also providing other land uses.
- Expands parking oversupply protections from current Parking Standards Transit Priority Area to Transit Priority Areas, as required by state law.



2. Revisions to the Junior Accessory Dwelling Unit Regulations

Better aligns the JADU regulations with guidelines recommended by the state

- No longer allow JADUs inside detached garages and other ADUs (State law requirement)

3. Providing an Incentive to Build ADA Accessible ADU Homes

Expands housing opportunities for people with disabilities, mobility limitations and special needs including veterans

- Incentivizes accessible ADU homes
- Allows up to one accessible ADU home in development in the ADU Home Density Bonus Program
- Minimum two affordable ADU homes



4. Providing Additional Floor Area to Develop Homes on Publicly-Owned Land

Provides greater flexibility for homes on publicly-owned land zoned as commercial or residential

- Increases building Floor Area Ratio (FAR) bonuses
- FAR bonus based on mobility zone and percent of total units set aside as deed-restricted affordable



4. Providing Additional Floor Area to Develop Homes on Publicly-Owned Land

Floor Area Ratios by Mobility Zone, Income Level and Percent of Homes that are Affordable

Mobility Zone	Affordable Income Level	Floor Area Ratio by Percent of Homes that are Affordable		
		25-34%	35-49%	50-100%
1	Very Low, Low and Moderate	-	-	-
2	Very Low, Low	6.0	7.0	8.0
	Moderate	5.0	6.0	7.0
3	Very Low, Low	4.0	5.0	6.0
	Moderate	3.0	4.0	5.0

5. Incentivizing Homes on Underutilized Commercial Sites

Incentivizes the production of homes as part of mixed-used developments

- Provides a 0.5 FAR bonus for residential or mixed-use development on sites:
 - In Sustainable Development Areas
 - Have a commercial zone that allows for residential or mixed-use
 - Have a current use that is non-residential
- May be used in addition to other incentives



6. Off Campus Student Housing

Provides additional opportunities for additional student homes including affordable

- Flexibility for student housing
- Any multifamily zone within SDA and 1 mile of a campus
- Removes potential for oversupply of parking for cars
- Increase bicycle parking for people



7. Building Permit Extension

Provides more flexibility for developments that face delays due to unforeseen circumstances beyond their control.

- Allows City Building Official to extend a building permit an additional 180 days for a total of two times

Housing Action Package 2.0

Furthering Fair Housing

- Strengthen Fair Housing
- New homes for families
- New homes for very low income community members
- New homes for moderate income community members



8. Incentivizing Single Room Occupancy (SRO) Homes

Incentivizes the production of new SRO Homes particularly at the very low-income level

- Provides low-cost home option for community members, especially seniors and people with disabilities
- Allows SRO homes under Affordable Housing in All Communities
- Allows for ministerial approval for SRO homes in areas near transit



9. Complete Communities: Housing Solutions

A. Development Regulations

Certain development requirements can discourage the production of new homes under the CCHS programs

- Adjusts development regulations that can disincentivize family homes
- Waiver of the private exterior open space requirement for a development
 - If at least 10 percent of all homes have 3 or more bedrooms

9. Complete Communities: Housing Solutions

B. Development Impact Fees (DIF)

Implements Citywide DIF scaling for all homes, with incentives for larger homes for families

- Since CCHS was adopted in 2020, DIF has been scaled based on home size, with smaller homes generally subject to payment of lower fees than larger homes
- Need for scaling/incentives as a benefit has become obsolete
- Replaces fee waiver for homes under 500 square feet with a fee waiver for homes with more than three bedrooms

9. Complete Communities: Housing Solutions

C. 100 Percent Moderate Income Option

Provides an alternative pathway to providing deed-restricted affordable homes under CCHS

- Creates an alternative to 40% affordable homes requirement
- Require that 100% of base units be deed-restricted as affordable for moderate income households
 - 50% to households at up to 80% AMI
 - Remaining at up to 120% AMI

9. Complete Communities: Housing Solutions

D. Incentivizing Family Housing

Incentivizes the production of family homes by providing a 1.5 Floor Area Ratio (FAR) bonus

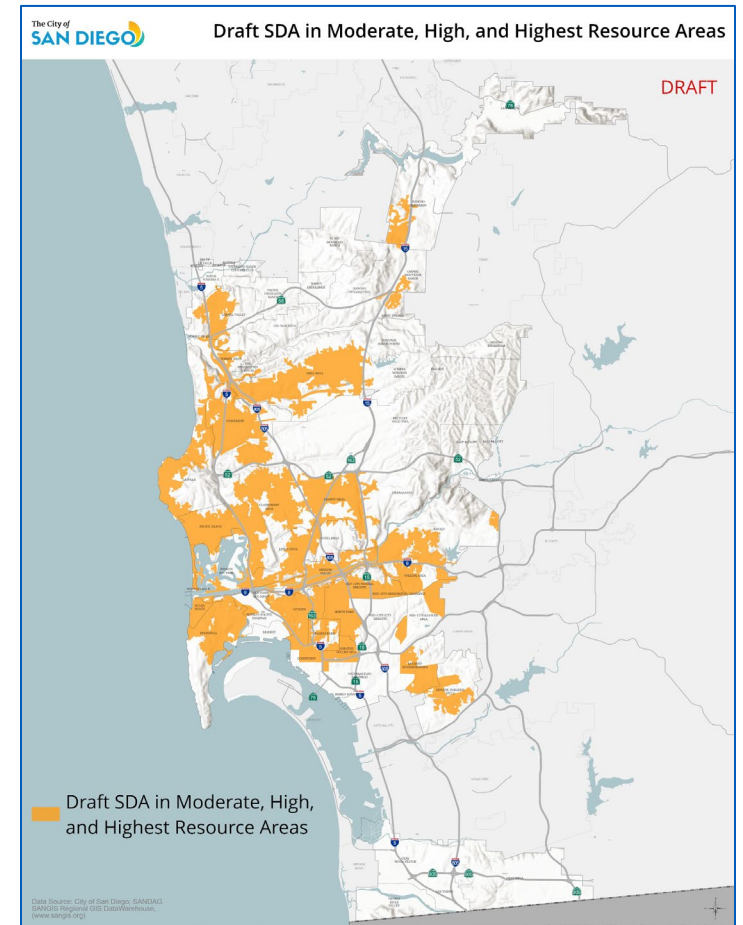
- 10% of total homes must have at least 2 bedrooms and
- 10% of total homes must have at least 3 bedrooms
- Limits one lease agreement per home
- Additional 1.5 FAR bonus

9. Complete Communities: Housing Solutions

E. Off-Site Affordable Option

Provides option to develop CCHS required affordable homes off-site within:

- Sustainable Development Area; and
- Moderate, High or Highest Resource Area; and
- Subject to Neighborhood Enhancement Fee



Housing Action Package 2.0

Thriving Communities

- Reduce displacement of residents
- Make home protection regulations permanent
- Provide rental preference to existing community members
- Replace harmful uses



10. Introduces Anti-displacement Measures

a. Dwelling Unit Protections

Introduces measures to reduce displacement by new market rate development

- Removes citywide expiration date of January 1, 2025
- Makes dwelling unit protection regulations permanent
- Removes exemption from housing unit replacement for commercial and mixed-use developments
- Clarifies that dwelling unit protections only apply to previously renter-occupied units

10. Introduces Anti-displacement Measures

b. Coastal Overlay Zone Affordable Housing Replacement

Introduces measures to reduce displacement by new market rate development

- Replacement of affordable dwelling units to very low-income units
- Expands to apply to premises with 2 or more structures containing a total of 5 or more units
- Eliminates 3-mile allowance for replacement of affordable units/disallows replacement affordable units in low or very low resource areas
- Relocates off-site replacement affordable units in high/highest resource communities in areas that is also high/highest resource community
- Clarifies affordable housing replacement requirements do not apply to previously owner-occupied units

10. Introduces Anti-displacement Measures

d. Priority Rental Preference for Affordable Units

Reduce displacement by new market rate development

- Provides existing residents
 - In Low or Lowest Resource Areas
 - Priority preference to rent new deed-restricted affordable units.



10. Introduces Anti-displacement Measures

e. Condo Conversion Regulations

Reduce displacement by new market rate development

- Allows tenants of rental units proposed for conversion into a condominium to have first opportunity to buy before seller accepts other offers

11. Discontinuing Previously Conforming Harmful Uses

Advances environmental justice and allows for more homes in Promise Zone

- Applies to harmful uses not consistent with existing zoning
- Applies in the Promise Zone only
- Provides FAR bonus for new homes which would need to be used within a defined period
- No longer allows the continuation if the use is ended for any reason other than building maintenance and repair or safety
- No longer allows the harmful use after a defined period

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12. Amendments to Neighborhood Enhancement In Lieu Fee (R-313282)

Amends NEF Resolution to implement policies introduced in Land Development Code Updates Housing Action Packages

- Amends NEF resolution to replace Transit Priority Area with Sustainable Development Area
- Provides clarifications regarding distribution of funds
- Includes provisions regarding Missing Middle Housing Regulations

Housing Action Package 2.0

Missing Middle Homes

- Implement Senate Bill 10
- Provide homes near transit
- Allow for missing middle homes in all communities



13. Missing Middle Homes (SB 10)

Creates new opportunities to build Missing Middle homes near jobs, schools, transit, and other amenities

- Allows option to adopt an ordinance to allow up to 10 homes per parcel
- Must be within 0.5 miles of a major transit stop or on urban infill sites
- Allows for implementing regulations to be tailored



13. Missing Middle Homes (SB 10)

Applicability

Would apply to parcels within: Sustainable Development Areas

Would not apply to parcels that are:

- More than 0.5 miles from a major transit stop and are not 75 percent surrounded by urban uses
- With existing deed-restricted affordable homes or SROs
- That front streets that do not meet certain City standards such as without sidewalks



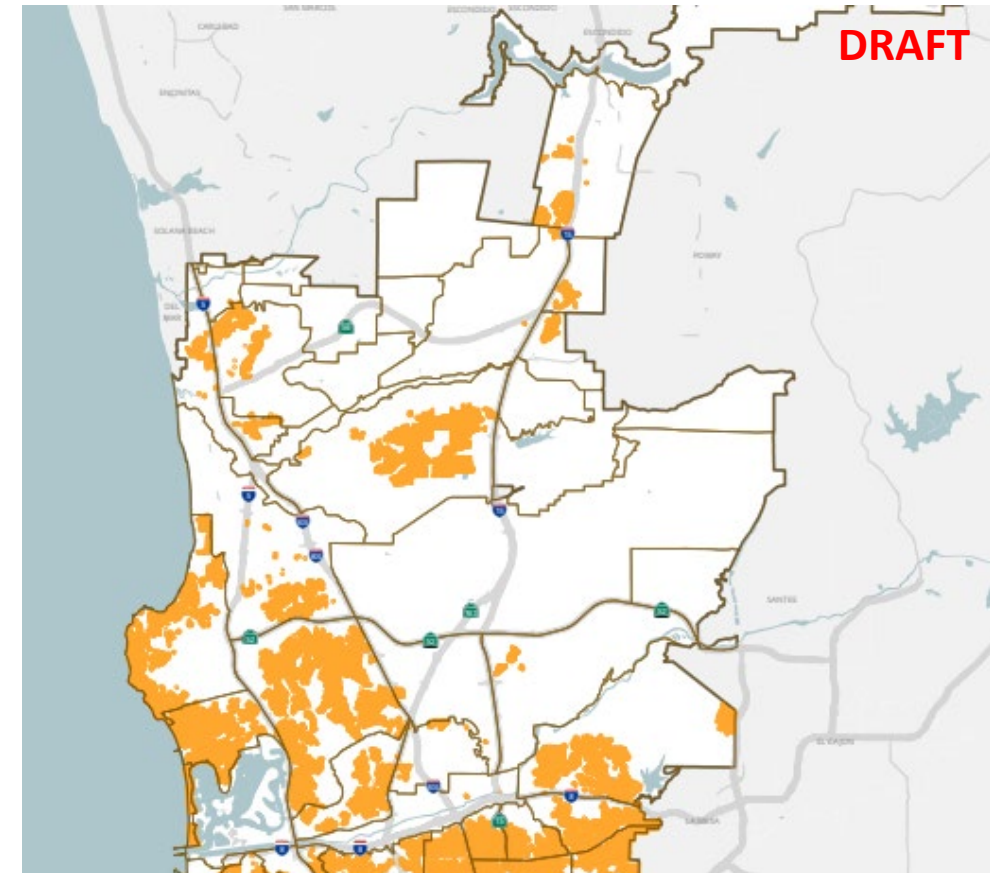
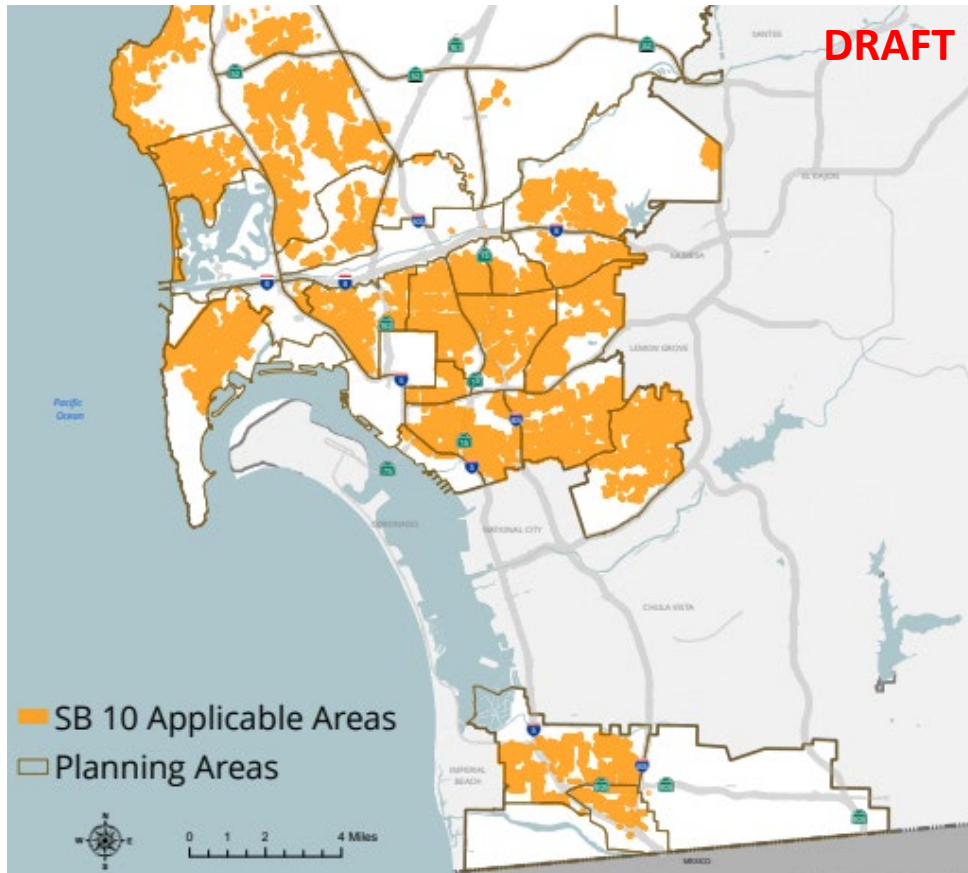
13. Missing Middle Homes (SB 10)

Applicability

Would not apply to parcels that are in:

- Very High Fire Severity Zones, on hazardous waste sites, on earthquake fault zones, and floodways, unless mitigation measures are included to address the impact of these hazards
- Multi-Habitat Planning Areas and Environmentally sensitive lands
- Historic districts and designated historic resources designated before January 2023
- Designated or dedicated open space areas and parks

13. Missing Middle Homes (SB 10)



13. Missing Middle Homes (SB 10)

Residential Maximums

Would apply to parcels that are:

- Zoned for multifamily:
 - Up to a maximum of 10 homes
- Zoned for single family:
 - 1 home for every 1,000 square feet of lot area
 - Maximum of 10 homes

13. Missing Middle Homes (SB 10)

Affordable Homes

Would apply to developments with more than 4 homes:

- 1 home affordable to very low, low, or moderate income households
- Additional home affordable to very low- or low income residents if located within High/Highest Resource Area

13. Missing Middle Homes (SB10)

Alternative Compliance to Affordable Housing Requirement

California Tax Credit Allocation Committee Opportunity Area	Percent of Inclusionary In Lieu Fee
High Segregation and Poverty or Low Resource Area	100%
Moderate Resource Area	125%
High or Highest Resource Area	150%

13. Missing Middle Homes (SB10)

On Site Affordable Housing Incentives

Development that provide on-site affordable homes may use one of the following incentives:

- Neighborhood Enhancement Fee Waiver
- Replacement of one required three-bedroom home with one additional two-bedroom home
- A deviation from development regulations

13. Missing Middle Homes (SB 10)

Development Regulations:

- Applies RM-1-1 Base Zone requirements except for:
 - Setbacks: 4 ft side/rear, 5-15 ft front
 - Max Height: 35 ft or base zone (whichever is greater)
 - Minimum lot size: 1,000 sq ft
 - Floor area ratio: 3.0 or base zone (whichever is greater)
- Requires access from street frontage
- Sets limits on driveway and parking coverage

13. Missing Middle Homes (SB 10)

Bedrooms

For developments with more than four homes:

- At least 2 homes have 3+ bedrooms; and
- At least 1 home has 2+ bedrooms

13. Missing Middle Homes (SB 10)

Parking

- Inside Transit Priority Area (TPA)
 - State parking allowances apply (AB 2097)
 - Development provides parking along with other uses
- Outside TPA
 - No additional parking required for first 2 homes
 - One parking space for each additional home after the first 2

13. Missing Middle Homes (SB 10)

Homeownership

- Require that parcel could be subdivided into individual ownership without the need for additional physical improvements

Fees

- Development Impact Fee at the multifamily rate
- Neighborhood Enhancement Fund Fees

13. Missing Middle Homes (SB 10)

ADUs

- Single Family Zones
 - One ADU
 - One JADU
- Multi Family Zones
 - Two ADUs
 - Two JADUs

Missing Middle Development Scenario

Scenario

Lot Size: 5,000 Sq Ft

Base Zone: RS-1-7

TCAC Area: High Resource

How many allowed homes?

- Five allowed homes
- Two 3-bedroom homes and one 2-bedroom home
- Two deed-restricted affordable units
- One ADU/One JADU

Homes Requirements Breakdown

ADU	3 Bedroom Home Required
	3 Bedroom Home Required
JADU	2 Bedroom Home Required
	1 Home - No Bedroom Specifications
	1 Home - No Bedroom Specifications

Next Steps



Community Planner's Committee

- Recommend that SB 10 not be implemented in San Diego at the current time.
- Recommend to:
 - Increase SB 10 affordability requirement to 30 percent, with 15 percent being set aside for very low and low income households and 15 percent for moderate income households.
 - Amend SB 10 to direct Development Impact Fees generated under SB 10 to areas where projects are built.

Staff Recommendation

Recommend to the City Council approval of the proposed Housing Action Package 2.0.

Housing Action Package 2.0

Planning Commission Workshop

April 6, 2023