

**CITY COUNCIL OF THE CITY OF SAN DIEGO
SUPPLEMENTAL DOCKET NUMBER 1
MONDAY, OCTOBER 6, 2014
CITY ADMINISTRATION BUILDING
COUNCIL CHAMBERS – 12TH FLOOR
202 “C” STREET
SAN DIEGO, CA 92101**

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Pursuant to California Senate Bill 343 (Section 54957.5(b) of the Brown Act), late-arriving documents related to City Council meeting agenda items which are distributed to the legislative body prior to and during the Council meeting are available for public review in the Office of the City Clerk on the second floor of the City Administration Building, 202 C Street, San Diego, CA 92101. This relates to those documents received after the agenda is publicly noticed and during the 72 hours prior to the start of the meeting. Please note: Approximately one hour prior to the start of the Council Meeting, the documents will be available just outside Council Chambers in the lobby of the 12th floor of the City Administration Building in a binder labeled “SB 343.” Late-arriving materials received during the City Council meeting are available for review by making a verbal request of City Clerk staff located in Council Chambers.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS
RESOLUTIONS:

ITEM-S400: Proposed Workforce Housing Plan (Housing Impact Fee Municipal Code Amendments and Related Matters). (Citywide.)

ITEM DESCRIPTION:

Approve a resolution accepting a report, providing direction and requesting analysis related to potential future Amendments to the San Diego Municipal Code concerning the Housing Impact Fee and Related Matters.

SAN DIEGO HOUSING COMMISSION'S RECOMMENDATION:

Adopt the following resolution:

(R-2015-172)

Acknowledging receipt of the San Diego Housing Commission's report regarding the status of the negotiations between it and the Coalition;

Requesting that the San Diego Housing Commission create a legislative proposal that is consistent with the City Council's specific direction (as expressed at the October 6, 2014, meeting of the City Council, including _____) and that is designed to address objections to the repealed Housing Impact Fee Ordinance, such that the City Attorney may draft any associated Municipal Code Amendments and the San Diego Housing Commission may present the legislative proposal for the City Council's consideration;

Requesting that the Office of the Mayor and Independent Budget Analyst (IBA), be prepared to provide analysis or information relative to such a legislative proposal.

SUPPORTING INFORMATION:

FISCAL CONSIDERATIONS:

Approving this action will begin the process to increase the total Affordable Housing Fund revenue approved in the San Diego Housing Commission's Fiscal Year 2015 Budget. Funds generated from the Housing Impact Fee are deposited into the City's Affordable Housing Fund and will be used as specified in the Affordable Housing Fund Annual Plan.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

- The City Internal Auditor's Office presented its Performance Audit Report to the Land Use and Housing Committee on September 2, 2009, and to the Housing Authority of the City of San Diego on October 20, 2009.
- On March 30, 2011, an item was presented at the Land Use and Housing Committee meeting.
- On July 11, 2011, the City Council declined to update the Housing Impact Fee Ordinance on a 4-4 vote, referring the matter to the San Diego Housing Commission's Affordable Housing Best Practices Task Force, with instructions to return the matter to the City Council.
- On December 10, 2013, the City Council adopted an update to the Housing Impact Fee Ordinance, raising the fee to 1.5 percent of total development costs.

- On March 4, 2014, the City Council rescinded its previous approval of updates to the Housing Impact Fee Ordinance and directed the San Diego Housing Commission to continue the dialogue with the Jobs Coalition about affordable housing options and report back to the Smart Growth and Land Use Committee in three months with an update and proposed actions to take.
- On July 17, 2014, the Smart Growth and Land Use Committee considered the Report from San Diego Housing Commission and Jobs Coalition regarding Proposed Workforce Housing Plan (Housing Impact Fee Municipal Code Amendments and Related Matters) and voted to have the item returned to the Smart Growth and Land Use Committee on September 24, 2014, for further consideration. The Smart Growth and Land Use Committee also requested that the Mayor's Office and the Office of the Independent Budget Analyst (IBA) provide additional information at the September 24, 2014, meeting.

ACTION: Motion by Councilmember Lightner, second by Councilmember Cole, to return this item to the September 24, 2014, meeting of the Smart Growth and Land Use Committee with direction to the Mayor's Office to provide an update on the timeline for bringing forward any proposed changes to the Municipal Code that are recommended in the Memorandum of Understanding (MOU) between the San Diego Housing Commission and the Jobs Coalition. Include a request to the Mayor's Office to provide an analysis of which items in the MOU have already been completed and how those items could be better communicated to the public. For example: the Transit Oriented Development versus the Transit Overlay District. Include a request for the Independent Budget Analyst (IBA) to provide an update at the September Smart Growth and Land Use Committee meeting regarding the scope of what they plan to look at in their Affordable Housing Report and an estimated timeline for completion of that Report. Include a request for the IBA to evaluate the fiscal impacts of the exemptions proposed in the MOU.

VOTE: 3-1; Lightner-yea, Cole-yea, Sherman-yea, Zapf-nay.

- On September 24, 2014, the Smart Growth and Land Use Committee considered the item, the Mayor's and IBA's reports, and forwarded the item, including the consideration of the Memorandum of Understanding between the San Diego Housing Commission and the Jobs Coalition, to the full City Council without a committee recommendation. The Smart Growth and Land Use Committee voted 2-2. The City's Municipal Code allows the Chair of a City Council Committee to forward items to the full City Council without a recommendation when a tie vote occurs.

ACTION: Motion by Councilmember Sherman, second by Councilmember Zapf, to move the Proposed Workforce Housing Plan, including the Memorandum of Understanding to full Council without recommendation.

VOTE: 2-2; Zapf-yea, Sherman-yea, Lightner-nay, Cole-nay.

Davis/Graham

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