




**OFFICE OF COUNCILMEMBER CHRISTOPHER WARD
THIRD COUNCIL DISTRICT**

M E M O R A N D U M

DATE: March 27, 2019

TO: Councilmember Vivian Moreno, Chair, Land Use & Housing Committee

FROM: Councilmember Christopher Ward 

SUBJECT: Recommendations for Policies to Expedite the Construction of
Permanent Supportive Housing in the City of San Diego

Assembly Bill 2162, signed into law September 2018 and effective January 1, 2019, imposes a state-mandated local program to allow for the development of Permanent Supportive Housing (PSH) by right in zones where multi-family and mixed uses are permitted, including non-residential zones that permit multi-family uses. The legislation authorizes local incentives, such as reduced parking requirements and an expedited approval process, to proposed PSH housing that meet the specified criteria to qualify.

The Select Committee on Homelessness heard a presentation on this subject in October 2018 and recommended the following action:

To direct the Mayor's office, City Attorney, Committee staff, and appropriate department staff to outline a package of policy reforms to expedite Permanent Supportive Housing in San Diego for review and approval at a future committee hearing. The recommended reforms should include, but not be limited to:

- A fee waiver or deferral program for PSH;
- Research regarding the feasibility of establishing a land banking program for City owned properties where PSH projects can be developed; and
- An expedited permit process schedule for PSH projects, including utility review time and a cap on review fees.

Pursuant to this recommendation, I request that the Land Use & Housing Committee docket a discussion of policy reforms that will support AB 2162 and expedite the development of PSH in the city.

Lease City Owned Parcels to Incentivize Production of PSH Citywide

The city's Real Estate Assets Department in 2018 identified 22 sites suitable for housing development. The City should RFP the properties along the lines of the county of San Diego for development of affordable housing, retaining assets within our portfolio through long term leases while providing a local match for affordable housing developers.

In addition, because numerous bills were enacted in California in 2018 to encourage the production of housing, specifically allowing for additional flexibility in building heights and density that can apply to PSH, I request that staff calculate the potential for higher development capacity on City-owned parcels. Ideal properties for this analysis are those identified by Real Estate Assets Division (READ) in September 2018 as suitable for housing development.

To complement recommendations which have been developed by city staff since October, I offer the following recommendations for consideration:

Waive Development Impact Fees for Projects with Minimum 50% of Units as PSH

Waive Development Impact Fees (DIFs) for development projects proposing the construction of PSH where PSH units are 50% of total units. Such a fee waiver can help incentivize the construction of PSH and count towards a local contribution to leverage state allocated low-income tax credit funds. A similar waiver was provided to incentivize the construction of Companion Units and Junior Units in 2018 (Section 142.0640 in the Municipal Code).

Reduce Minimum Lot Area Requirements

Allow for reduced minimum lot areas for PSH development in zones where multi-family units are permitted.

Expedite Utility Review

Numerous developers in San Diego who are in the final stages of construction and ready to provide occupancy, find themselves waiting for final SDG&E utility review. I recommend that Development Services Department staff work with SDG&E to request expedited processes for PSH to ensure a timely, coordinated utility review.

Request SANDAG Exempt PSH Units from Regional Transportation Congestion Improvement Program Fees

SANDAG collects development impact fees for newly constructed residential housing units through its Regional Transportation Congestion Improvement Program, approved by voters as part of Proposition A (TransNet Extension Ordinance) in 2004. I recommend that the City's SANDAG representatives request these fees be waived for PSH development, when a minimum of 50% of the units proposed are PSH.

cc:

Kevin Smith, Committee Consultant, Land Use & Housing Committee

Mike Hansen, Director, Planning Department

Elyse Lowe, Director, Development Services

Keeley Halsey, Chief of Homelessness Strategies and Housing Liaison of the Mayor