

THE CITY OF SAN DIEGO

Report to the Planning Commission

DATE ISSUED:

October 4, 2016

REPORT NO. PC-16-086

HEARING DATE:

October 13, 2016

SUBJECT:

High Occupancy Single Dwelling Unit Ordinance Applicable

Citywide and Within College Area (aka College Area

Community Character Preservation Ordinance), Process 5

SUMMARY

Issue:

Should the Planning Commission recommend to the City Council approval of amendments to the San Diego City Land Development Code Chapter 13, Article 1, Chapter 11, Article 3, Chapter 14, Article 2, and Local Coastal Program?

Staff Recommendation:

Staff recommends that the Planning Commission forward the High Occupancy Single Dwelling Unit Ordinance to the City Council with a recommendation of approval, based on the information in this report and the evidence offered as part of the public hearing.

PREVIOUS ACTIONS

City Council:

On November 3, 2015, the City Council heard testimony regarding high occupancy dwellings in the vicinity of San Diego State University and voted 9-0 to direct this issue to the appropriate Council Committee.

Technical Advisory Committee (TAC):

The TAC reviewed the proposal on July 13, 2016 and August 10, 2016. The TAC voted 3-1-7 to recommend the City Council adopt some of the regulations proposed at that time, and not adopt others. The ordinance before the Planning Commission has been modified to address many, but not all, of the concerns expressed by the TAC (see attachment 2 for details).

Community Planning Group Recommendation:

On July 13, 2016, the College Area Community Council approved the concept of an ordinance, including the specific provisions included in the proposed ordinance (10-7-1).

Community Planners Committee (CPC):

This item was recommended for approval on September 27, 2016, including a recommendation that the area of focused regulations be extended to the Eastern Area Community Plan area, and that the ordinance provisions in the focused area be studied for potential application citywide.

City Council Rules Committee:

On April 11, 2016, the Rules Committee voted 4-1 to direct the City Attorney to draft an ordinance addressing the matter. The subject ordinance was drafted in response to this direction by the City Attorney's Office. On September 28, 2016, the Rules Committee voted 3-0 to recommend that the City Council approve the ordinance, with a recommendation that the area of focused regulations be extended to the Eastern Area Community Plan area.

City Strategic Plan Goals and Objectives:

The proposed ordinance is in direct alignment with the following City of San Diego goals and objectives: specifically, Goal 2 – Work in partnership with all our communities to achieve a safe and livable neighborhoods, and Goal 3: Create and sustain a resilient and economically prosperous City.

Environmental Review:

The proposed amendments were reviewed for consistency with the certified Land Development Code (LDC) Environmental Impact Report (EIR) No. 96-0333 and Addendum to EIR No. 96-0333 (Project No. 129501), in accordance with Public Resources Code Section 21166 and California Environmental Quality Act (CEQA) Guidelines Section 15162. The proposed amendments would not result in new impacts or changed circumstances that would require a new environmental document. The previously certified Environmental Impact Report No. 96-0333 and Addendum to EIR No. 96-0333 (Project No. 129501) adequately covers the proposed amendments to the LDC and local coastal program for the purposes of CEQA.

City Attorney Opinion:

The City Attorney issued a legal opinion on September 20, 2016 that concluded the proposed ordinance is legally defensible.

DISCUSSION

This item proposes amendments to the Land Development Code (Chapter 13, Article 1, Chapter 11, Article 3, Chapter 14, Article 2, and Local Coastal Program (see attachment 1) primarily to address the impacts of home remodels/additions that are inconsistent with the character of the RS zones in the College Area Community Plan area of the City of San Diego. The amendments would place certain limits on the development of larger single family homes in RS zones citywide, as well as additional limits on the development of larger single family homes in RS zones in the College Area, including the number of bedroom, the number of off-street parking spaces, and amount of interior common area.

Should the City Council wish to delay the implementation of the proposed high occupancy dwelling ordinance, Council President Pro Tem Emerald will respectfully ask the City Council to adopt a moratorium on developments subject to the new rules. The purpose of this moratorium is to prevent a rush of home conversions in advance of the new proposed regulations becoming effective. A moratorium ordinance has not been drafted. However, draft findings have been prepared by staff pursuant to California Government Code 65858 (see attachment 5). If directed by the City Council, the City Attorney would prepare the appropriate ordinance.

THE IMPACT OF HIGH OCCUPANCY SINGLE DWELLING UNITS IN THE COLLEGE AREA

The neighborhoods around San Diego State University (SDSU) are being adversely impacted by the expansion and/or remodeling of existing single family homes to accommodate people eighteen years of age and older (commonly referred to as "mini-dorms"). This report will refer to high occupancy single dwelling units, which we regard as enlarged or remodeled single family homes that are of a bulk, scale, and design that is out of character with the single family homes that have traditionally occupied the neighborhoods in question. This rapidly increasing housing type represents a commercialization of these single-family neighborhoods and what many residents fear will reach a tipping point with regard to the nature of their communities.

High occupancy single dwelling units create a drain on the resources of the City including the Police Department, the Environmental Services Department, and the Code Enforcement Division. They may also necessitate action by SDSU, involving the campus police department, administrative disciplinary actions, and education and outreach to occupants. The higher the numbers of occupants the greater the impacts.

High occupancy single dwelling units can impair the quiet enjoyment of the surrounding homes within the RS zones by creating excessive noise, excessive trash, excessive demand for parking, and excessive paved areas for off-street

parking. High occupancy units commonly have large parking lots which create aesthetic impacts, and the opportunity for additional noise intrusion immediately adjacent to the homes and backyards of neighboring properties.

High occupancy housing in single family (RS zoned) neighborhoods in the College Area has been an issue for decades. The City has adopted legislation previously (see discussion under the 'Draft Ordinance' section). One of these, the Residential High Occupancy Ordinances has had some impact, but its reach is limited. The recession in 2008 and the corresponding decline in SDSU student enrollments had a greater effect in reducing mini-dorm impacts. For a few years, the number of mini-dorms remained static, and individual mini-dorms housed five adults on average.

Since SDSU increased its enrollment cap from 25,000 to 35,000 in 2007, the conversion of houses to high occupancy dwelling units has accelerated. Many of the recent conversions are for high occupancy dwelling units with six or more bedrooms. Homes originally built with two or three bedrooms and designed to accommodate a family are being expanded into residences intended for upwards of 12 or more adults. These conversions are accomplished by various means, including adding square footage, converting the living room, garage, den, patio and even closets into bedrooms, and/or by subdividing existing bedrooms. These remodels typically involve paving over parts of the front, rear, and/or side yard to provide the required off-street parking. These types of conversions create a disincentive for the home to ever be converted back to traditional single family use.

Of the estimated 4,000 single family homes in the College Area RS zones, 813 have been identified as mini-dorms (not including traditional long term rentals or care facilities as permitted by State law). In the last three years, 135 new mini-dorms have been identified. The purpose of the RS zone is to provide for development of single dwelling units that promote neighborhood quality, character, and livability; the zone is intended to allow reasonable use of property while minimizing adverse impacts to adjacent properties.

College Area neighborhoods are historically composed of three and four bedroom houses, and within San Diego County, only 4.5 percent of single-family homes have five or more bedrooms Nationally, only four percent (4%) of all single family homes have five or more bedrooms (US Census, American Factfinder, 2010-2014 American Community Survey 5-Year Estimates, San Diego County). Of the 813 College Area mini-dorms, approximately 284 (35%) would be classified as high occupancy dwelling units, with 5 or more bedrooms, and with an average of 6 bedrooms. The number of residents can be significantly higher than the number of bedrooms because of shared bedrooms and people sleeping in living rooms, dining rooms, family rooms, closets and garages.

While mini-dorms are concentrated in streets closest to SDSU, they are spread throughout the College Area, and beyond. The fact that up to 20% of the single family housing stock in the College Area is made up of minidorms does not adequately reflect their concentration in certain blocks. Several College Area blocks are made up of nearly 100% minidorms, and additional blocks are facing that outcome in the near future. The infrastructure of these neighborhoods was not designed and built to accommodate the numbers of occupants that the larger minidorms contain and their concentration in certain areas.

The residents of the College Area, and other affected communities, are not at all opposed to having single family homes within RS zones occupied by multiple persons 18 years of age and older. However, they seek to ensure that home remodels are compatible with the scale and character of their neighborhood. They want homes in the area to be sized and configured so as to limit adverse noise, parking, aesthetic and other impacts. Councilmember Emerald and the vested residents of the community believe that the community is stronger with a diverse mix of residents; with older adults, families, and college students all sharing a vital community. They believe that even the student residents will be better off living a neighborhood that shares the character of the one they may have grown up in and/or that they may end up living in after graduating.

OTHER JURISDICTIONS

The issue of student housing impacts on communities is not unique to the College Area of San Diego. Cities and universities in California and around the country have been challenged for decades by changes to residential neighborhood character generated by the development of such neighborhoods for student housing. When cities and/or universities manage the issue effectively, the result is attractive neighborhoods that benefit from, and enhance, the university (e.g., Harvard, University of Wisconsin-Madison). But when not managed, the result can be unsightly development, overcrowding, and a lack of diversity. Indeed, one of the classic studies in the subject of community development has been the recurring blight, revitalization, and resurgent blight around the University of Chicago dating back to the 1920's. In the short run. property values rise when investors purchase houses and modify them for high occupancy use, often paying cash and offering above-market prices. In the long run, however, as blight sets in and families move out, property values (and corresponding property tax revenues) decline. In such circumstances, cities must spend far more public funds revitalizing these neighborhoods than they would have by managing the growth.

Various California cities have adopted their own approaches for regulating the commercialization of residential zones. These cities include Berkeley, Davis, Riverside, San Luis Obispo, Santa Barbara, and Santa Cruz. Council District 9 and the College Area community have taken a look at the legislation utilized by other jurisdictions and have based this draft ordinance, in part, on that legislation.

DRAFT ORDINANCE

In 2007, after a period of rapid growth in the number of mini-dorms, the City adopted two ordinances, one to restrict the number of boarders permitted in a single family residence, and the second to regulate the number of automobiles per residence. The latter, the Residential High Occupancy Ordinances has had some impact, but its reach is limited to ensuring appropriate parking. Unfortunately, these regulations have not addressed the continued proliferation of inappropriate construction, and the impacts of high occupancy single dwelling units.

The purpose of the ordinance that has been drafted by the City Attorney's Office, as directed by the Rules Committee and working with Council District 9, is to help ensure that houses built or remodeled in the College Area in the future are compatible with the area's neighborhood character, that they provide residential parking that does not adversely impact the surrounding neighborhood, and that they otherwise limit impacts to neighbors and the community.

Councilmember Emerald believes that this matter can be resolved without making significant changes to the Land Development Code. And, neither the Councilmember nor the permanent residents of the community desire to eliminate or markedly reduce housing opportunities for students attending SDSU. Therefore, the proposed ordinance is modest in scope, focusing on the large remodels that are substantially out of character with the types of residential development that have traditionally existed in the College Area. In order to avoid shifting the problem to other neighborhoods, the ordinance makes some changes citywide and applies others only to the College Area.

It should be noted that a new ordinance is just the first, albeit critical, step in preserving the single family neighborhoods near SDSU. The neighborhoods and SDSU are inextricably linked. Given the growth in SDSU and the changes in the area, the City needs to consider options for adding sufficient residential units to accommodate the demand for student housing, especially near major transportation corridors. Additional attention should be paid to the regulation of traditional dormitories and minidorms. These actions require updating the College Area Community Plan, last updated in 1987. Since then, much has changed. For example, SDSU has adopted a new master plan and the College Area Redevelopment Plan was made moot by the end of redevelopment agencies.

The following is a summary of the proposed ordinance.

Proposal #1: Reduce allowable off-street parking outside a garage.

In RS zones citywide, no more than four parking spaces are permitted outside a garage of on lots less than 10,000 square feet. The ordinance would require that the lot size calculation not include non-developable land (i.e. RS-1-1 zoned portions of lots with more than one zoning designation). There is no reason that more parking spaces should be allowed on a lot based on a lot's additional unbuildable area. This regulation would apply citywide.

The ordinance would limit the maximum number of parking spaces outside a garage on lots 10,000 square feet or greater to six. This would extend the existing regulation to larger lots with a corresponding larger limit on the maximum number of parking spaces. Large parking lots of more than six parking spaces are out of character with RS zoned parcels. Additional desired parking spaces may be located within a garage. This regulation would also apply citywide.

Proposal #2: Clarifies the definition of bedroom.

This citywide revision is intended to make it harder for persons who want to evade bedroom regulations by designing a room like a den or study meant for illegal conversion to a bedroom.

Proposal #3: Reduce the maximum number of allowable bedrooms within College Area Community Plan area.

Currently, lots less than 10,000 square feet in RS zones citywide are limited to 6 bedrooms maximum. The ordinance would, within College Area Community Plan area, limit the number of bedrooms to five on lots less than 10,000 square feet and to six on lots 10,000 square feet or greater. In addition, it is proposed that the lot size calculations for the existing and proposed regulations not include RS-1-1 zoned portions of lots with more than one zoning designation. There is no reason that more bedrooms should be allowed on a lot based on additional unbuildable area.

The purpose of the proposed regulations is to limit the impact of oversized home conversions on the single family character of the neighborhoods in the College Area. However, it is felt that lots with more buildable area can accommodate a sixth bedroom while still remaining within the community character.

Because minidorms have the greatest impact on the area around SDSU, Councilmember Emerald believes it is not necessary or desirable to have all of the proposed restrictions apply city-wide. The original proposal was to create a new overlay zone that also included the areas immediately south of El Cajon Boulevard. The Technical Advisory Committee (TAC)/Code Monitoring Team and City staff recommended that the defined area be the College Area

Community Plan area, and the ordinance has been modified to comply with that recommendation (see attachment 2 for details).

Parcels having only RS-1-1 zoning, as well split zone parcels that have been developed on the RS-1-1 portions of the lot, have been excluded from the provisions that apply to the College Area. These parcels are large lots (40,000 sq. ft. minimum), and are appropriate for larger homes.

Proposal #4: Prohibit required parking spaces from being located within 30 feet of the front property line within College Area Community Plan area (excluding RS-1-1 zoned parcels).

The purpose is to eliminate the parking of vehicles in front of the home, which is unsightly and out of character with the existing single family community in the College Area. Such placement can block the front door or picture window of the home, which is atypical of the community, and can limit the safety afforded by having "eyes on the street."

Parcels having only RS-1-1 zoning, as well split zone parcels that have been developed on the RS-1-1 portions of the lot, have been excluded from the provisions that apply to the College Area. These parcels are large lots (40,000 sq. ft. minimum), and are appropriate for a more flexible design with regard to parking.

Proposal #5: Limit the combined gross floor area of all bedrooms of 60% of the gross square footage of the home within College Area Community Plan area.

High occupancy homes in the College Area are often created by converting dens, studies, living rooms, to bedrooms, thus reducing the amount of common area. The purpose of this proposal is to ensure that homes are not remodeled such that the potential for future ownership by those not needing a high occupancy configuration is precluded. This keeps open the potential for a variety of housing in the College Area, and avoids locking in a particular housing type that doesn't contribute to single family character. The 60% standard is very conservative. A 2013 survey of their single-family builder membership, by the National Association of Home Builders found that the average new home has less than 20% of its space devoted to bedrooms.

Proposal #6: Minor cleanup language

The ordinance contains some minor language modifications of a few existing related Land Development Code sections that apply both Citywide and within specific areas; these changes would add clarity and/or consistency but not change the existing requirements. The purpose of these changes is to clarify the code language and make it conform to the entire Land Development Code.

Conclusion:

Council President Pro Tem Emerald, and her constituents in the College Area, believe that the proposed legislation is needed to prevent the College Area from reaching a tipping point with regard to single family residential character. Passing this tipping point may mean that the single family residential character in this vital community may have been lost forever.

Therefore, it is recommended that the Planning Commission forward the Regulations attached to the City Council, with a recommendation that they be adopted.

ALTERNATIVES

The Planning Commission may recommend to the City Council that it not adopt the ordinance or that it adopt the ordinance with modifications.

Respectfully submitted,

Marti Emerald

Council President Pro Tem Councilmember 9th District Tim Taylor

Chief Policy Advisor Council District 9

ME/TPT

Attachments:

- 1. Technical Advisory Committee Recommendations
- 2. Map of College Area Community Plan area
- 3. Map of Campus Parking Overlay Zone (SDSU)
- 4. Draft Moratorium Findings

TECHNICAL ADVISORY COMMITTEE (TAC)

The Technical Advisory Committee and Code Monitoring Team reviewed the proposal on July 13, 2016 and August 10, 2016. The TAC voted 3-1-7 to recommend the City Council adopt some of the regulations. The following details how the ordinance before the Planning Commission has been modified to address most of the concerns expressed by the TAC.

1. Creating a new College Area Impact Overlay zone.

The TAC and City staff recommended that any targeted area should be based on an existing defined area. There was discussion of using the existing Parking Overlay Zone around SDSU. The TAC indicated that using the College Area Community Plan area would be superior because the Parking Overlay Zone is only for the purpose of controlling on-street parking and the College Area Community Plan area has undergone environmental analysis specific to its boundaries.

The Ordinance has been revised to incorporate this recommendation.

2. Bedroom Limits

The TAC supported applying 6 bedroom maximum to all RS lots in College Area, in addition to the existing 6 bedroom limit on lots less than 10,000 square feet citywide.

The ordinance applies a five bedrooms limit to lots of less than 10,000 square feet in RS zones within College Area Community Plan. It incorporates the TAC recommendation with regard to lots of 10,000 square feet or more.

• Excluding RS-1-1_zoned portions (i.e. environmentally sensitive lands) of RS lots with more than one zoning designation when applying the above lot size calculations.

To address the TAC's concerns with this language creating confusion with rules that only apply in a single area, this has been changed to from the College Area to Citywide.

• Limiting the combined gross floor area of all bedrooms to 60% of the gross square footage of the home.

The TAC did not support. This has been retained.

• Creating a new definition for bedrooms.

The TAC did not support due to need for additional clarification. This definition has been modified in response to TAC concerns.

Off-street parking

The TAC recommended that the proposed maximum number of parking spaces outside a garage on RS lots 10,000 square feet or greater should be applied citywide.

The Ordinance has been revised to incorporate this recommendation.

The TAC did not support and these have been retained/modified:

• Excluding RS-1-1_zoned portions (i.e. environmentally sensitive lands) of RS lots with more than one zoning designation when applying the above lot size calculations.

To address the TAC's concerns with this language creating confusion with rules that only apply in a single area, this has been changed to from the College Area to Citywide.

• Excluding RS-1-1_zoned portions (i.e. environmentally sensitive lands) of RS lots with more than one zoning designation when applying the existing restriction for maximum parking spaces outside a garage of on lots less than 10,000 square feet (which is 4).

To address concerns with this language creating confusion with rules that only apply in a single area, this has been changed to from the College Area to Citywide.

- Prohibiting surface required parking spaces within 30 feet of the front lot line.

 The reason given for non-support was that it conflicted with Sec. 142.0531(f). The language has been modified to address this conflict.
- Requiring that half of the required off-street parking spaces must be in the rear of the

The TAC did not support and it has been removed

• Requiring that half of the required off-street parking spaces not be visible from the street.

The TAC did not support and it has been removed

4. Changing the Residential High Occupancy Permit to a registry.

The TAC did not support and it has been removed.

5. Requiring RS zoned lots that are previously conforming to bring remodeled home into compliance by creating 3 time the parking normally required by the remodel.

TAC did not support and it has been removed.

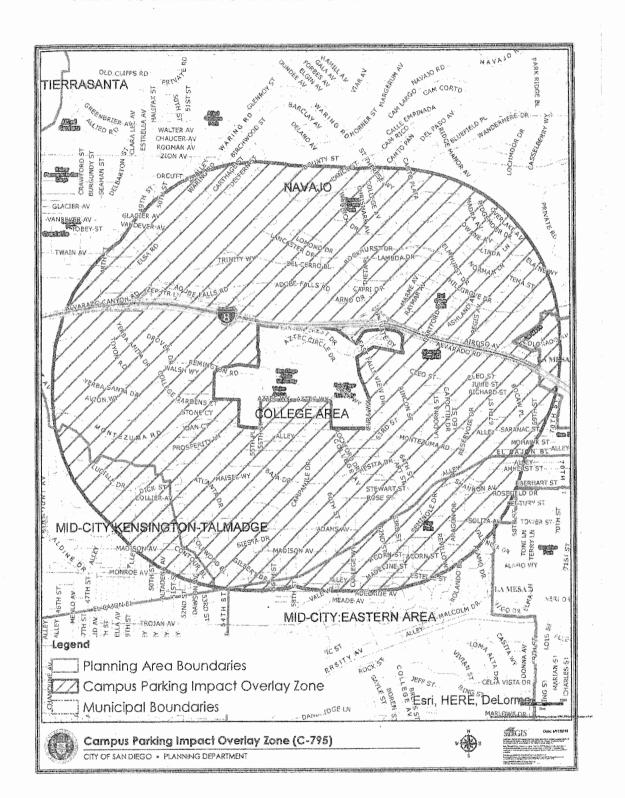
6. Minor language modifications for clarity without change to existing requirements.

TAC supported proposals.



ATTACHMENT 3

CAMPUS PARKING IMPACT OVERLAY ZONE - SDSU



DRAFT FINDINGS FOR MORITORIUM

WHEREAS, there has been a proliferation of room additions in some of the RS (Residential Single Unit) zoned neighborhoods in proximity to San Diego State University ("SDSU Neighborhoods") as depicted on Exhibit "A" attached hereto and incorporated herein by reference and

WHEREAS, these room additions have resulted in housing with characteristics of housing in RM (Residential Multi Unit) zones which are incompatible with these neighborhoods and have caused overcrowding of these neighborhoods; and

WHEREAS, the addition of rooms and incompatible housing has caused a negative effect on the health, safety and welfare to the neighboring residences by the creation of excessive noise, traffic, speeding, lack of parking, excessive use of on-street parking, conversion of back, side and front yards for parking, obstruction of public streets, menacing conduct, fights, harassment, disorderly conduct, littering, public drunkenness, underage drinking, indecent exposure, public urination, loud and unruly gatherings, vandalism and criminal mischief; and

WHEREAS, in addition to the above, there has also been a lack of property maintenance, unsightly lawns, parking on lawns, weeds, and trash cans left on streets for days, which negatively impacts the health, safety and welfare of these SDSU neighborhoods; and

WHEREAS, due to the above described unlawful activities, there has been a decline in the quality of life in the SDSU Neighborhoods, an abundance of complaints by neighbors about the unlawful activity, excessive calls for police service for unruly gatherings, and over 400 active code violation cases since November 2012; and

WHEREAS, due to the proliferation of room additions resulting in overcrowding, the character of the single family residential zone in the SDSU Neighborhoods has diminished; and

WHEREAS, the cumulative effect of changes to the housing types in these neighborhoods is reaching a saturation point, with over 20% of the 4,000 RS zoned houses in the College Area currently in use as so-called "minidorms" and with the potential to reach a tipping point which could permanently change the overall community character in a manner contradictory to the intent of the College Area Community Plan and the Community Plan of other adjacent areas; and

WHEREAS, the pace of room additions has recently accelerated due to SDSU's 2007 adoption of a new Campus Master Plan, which raised the enrollment cap from 25,000 to 35,000 Full Time Equivalent (FTE) students, resulting thus far in an enrollment increase of approximately 3,000 FTE between 2005 and 2015ⁱⁱⁱ, and creating increased business opportunities for investors interested in the highly profitable market for student housing; and

WHEREAS, the 2008 recession dampened the pace of room additions due to a temporary decrease in student enrollment and lack of financing for housing modifications and new housing construction, but that temporary slowdown has now reversed itself, resulting in the addition of at least 137 new minidorms between November 2013 and November 2015, or more than one per week for the past two years; ^{iv}and

WHEREAS, nearly a quarter (23%) of those 137 houses for which data is available have 5 to 9 bedrooms, well above the norm for the College Area; and

WHEREAS, there has recently been an increased number of individuals and limited liability corporations buying and owning multiple^{vi} RS zoned homes dedicated to RM uses in the area surrounding SDSU, as said properties are increasingly recognized as highly profitable, so that ownership of such properties has become a growing business for investors; and

WHEREAS, the 2008 enactment of the Residential High Occupancy Permit Ordinance has created a new business model whereby owners of these expanded properties pave over front, side and rear yards in order to satisfy the RHOP parking requirements, thereby causing further deterioration in the aesthetics of the neighborhood; and^{vii}

WHEREAS, the prospect of legislation to control further expansion of these properties is likely to result in a rush of applications for permits to expand such properties before such legislation is implemented; and

WHEREAS, the City is currently in the process of creating new development standards applying to a focused area, and other zoning amendments and, as a result, it is anticipated that development consistent with what has been occurring within the proposed overlay zone is likely to be inconsistent with the proposed ordinance; and

WHEREAS, in order to preserve the current single family residential zone and because developers may choose to apply for developments that would be illegal under the contemplated ordinance before it can be adopted, an interim prohibition should be adopted on any room additions, garage conversions, creation of multiple rooms out of individual rooms, paving over of front yards for parking, or comparable requests within the proposed focused area and;

WHEREAS, California Government Code section 65858 authorizes the City Council to adopt, by a four -fifths vote, without following the procedures otherwise required for the adoption of a zoning ordinance, an interim urgency ordinance prohibiting any uses that may be in conflict with a contemplated general plan, specific plan, or zoning proposal that the City Council, Planning Commission or any City department is considering or studying or intends to study within a reasonable time;

ⁱ Source: OpenDSD and SDPD Eastern Division report of calls October 2014 – September 2015

ⁱⁱ Source: Data collected by College Area Community Council Code Violations Committee. This figure (806 of approximately 4,000 RS zoned units in College Area, or 20%) reflects only those minidorms that have been identified by neighbors or advertisements, or observed visually; it is therefore likely to be understated. See map, Attachment 1.

iii Source: San Diego State University website. 2015 actual student headcount was 33,230.

iv Source: Data collected by the College Area Community Council Code Violations Committee, and likely to be understated. See Support Data for examples of recent room additions

Y Source: Data collected by College Area Community Council Code Violations Committee

vi Source: Data collected by College Area Community Council Code Violations Committee

vii See Support Data for examples of this practice.