



THE CITY OF SAN DIEGO

REPORT TO THE PLANNING COMMISSION

DATE ISSUED: March 11, 2016 **REPORT NO.** PC-16-023

ATTENTION: Planning Commission, Agenda of March 17, 2016

SUBJECT: AMENDMENTS TO THE AFFORDABLE HOUSING DENSITY BONUS REGULATIONS OF THE LAND DEVELOPMENT CODE AND THE CITY'S LOCAL COASTAL PROGRAM TO IMPLEMENT CURRENT AFFORDABLE HOUSING DENSITY BONUS LAW. (PROCESS 5)

SUMMARY

Issue: Should the Planning Commission recommend to the City Council approval of amendments to the Affordable Housing Density Bonus Regulations of the Land Development Code and the City's Local Coastal Program?

Staff Recommendation: Recommend that the City Council approve the proposed amendments.

Community Planners Committee (CPC):

On January 26, 2016 the CPC chose to vote on each of the individual items to provide the decision makers with a more accurate reflection of the Committee's positions. The votes were as follows:

1. Increased density 18-2-2 to recommend approval
2. Increased incentives 20-0-2 to recommend approval
3. Reduced decision process for PDOs 14-6-2 to recommend approval
4. Parking AB744 13-7-2 to recommend denial with the understanding that the City is required to comply
5. Off-site option 15-5-2 to recommend denial

Code Monitoring Team (CMT):

On February 10, 2016 the CMT voted 7-0 to recommend the City Council adopt the regulations with modifications. Those modifications have been incorporated into the draft regulations before the Planning Commission.

Technical Advisory Committee (TAC):

The TAC will vote on the proposed amendments on March 9, 2016 (after the printing of this report). Staff will present their recommendation at the Planning Commission hearing.

Environmental Review:

An Environmental Impact Report (EIR No. 96-0333) was prepared and certified on November 18, 1997 for the original project, the adoption of the Land

Development Code; and a Program EIR (No. 104495) was prepared and certified on March 10, 2008 for the General Plan Update. The proposed amendments to the Land Development Code were reviewed by the Environmental Analysis Section for consistency with the above referenced environmental documents and it was determined that, in accordance with Public Resources Code 21166 and California Environmental Quality Act (CEQA) Guidelines Section 15162(a): (1) no substantial changes are proposed to the project which would require major revisions of the previous EIR; (2) no substantial changes occur with respect to the circumstances under which the project is undertaken that would require any revisions to the previous EIR; and (3) there is no new information of substantial importance that was not known and could not have been known at the time the previous EIR's were certified. Therefore, no subsequent EIR or other environmental document is needed for the Community Plan Implementation Ordinance, as all of the impacts were adequately addressed and disclosed in previously certified EIR No. 96-0333 and Program EIR No. 104495. For a more detailed analysis, refer to Attachment 1, CEQA 15162 Evaluation, Memorandum dated February 8, 2016.

BACKGROUND

On November 6, 2007 the City Council amended the Affordable Housing Density Bonus Regulations consistent with Senate Bill 1818 which established the current model for incentivizing production of affordable housing units. On June 23, 2015 the City Council again amended the regulations to incorporate Assembly Bill 2222 which required replacement of existing onsite affordable housing units.

Between November 2007 and September 2015 a total of 28 projects have been approved using the Affordable Housing Density Bonus Regulations. Of those, 16 have been constructed and provide 292 regulated affordable housing units. The remaining 12 projects are under construction or are preparing to construct. These projects will provide an additional 181 affordable dwelling units. In the past 8 years 473 affordable housing units have been approved using these regulations.

The amendments proposed in this report are the result of an "affordable housing working group" initially established by the San Diego Housing Commission (SDHC) and passed on to the Land Development Code Section of the Development Services Department to draft and process the regulations. The working group was established to identify methods to further increase construction affordable housing units using the Affordable Housing Density Bonus Regulations. The initial membership of the working group was convened 4 times and included 21 participants. The participants included staff of the SDHC, the Development Services Department, the Planning Department, the City Attorney's Office, and Civic San Diego; architects that have constructed affordable housing units; non-profit affordable housing developers; and representatives of the San Diego Regional Economic Development Corporation, the Building Industry Association, and the San Diego Housing Federation. Upon reaching consensus on the proposals to move forward, the working group was reduced to 8 participants to work through the details.

The affordable housing working group developed five proposals to further incentivize construction of affordable housing units using the Affordable Housing Density Bonus Regulations. The first increases the maximum density bonus. The second increases

the maximum number of incentives. The third reduces the decision process when a Planned District Ordinance (PDO) permit is required. The fourth reduces the parking ratio for dwelling units in areas of high transit frequency consistent with Assembly Bill 744 (QB-744), and the fifth allows development of the affordable dwelling units off-site when in compliance with specified regulations. The draft strikeout/underline of the regulations is in Attachment 2.

DISCUSSION

Proposal #1: Increased Density Bonus

The Affordable Housing Density Bonus Regulations provides a density bonus (construction of dwelling units in excess of what would otherwise be permitted by the base zone/community plan) in exchange for affordable dwelling units. The amount of the bonus is tied to the level of affordability (low, very low, or moderate income) and the percentage of affordable dwelling units provided. The relationship between the amount of the bonus and the percentage of affordable dwelling units provided varies between the levels of affordability, except that the current maximum density bonus of 35 percent applies to all three levels of affordability.

This proposal increases the maximum bonus from 35 percent to 50 percent for all three levels of affordability. The increase from 35 percent to 50 percent would maintain the same gradation currently used for each level of affordability. The working group believes the increase to 50 percent would increase the use of the bonus and result in a greater number of affordable units.

Very Low Income. The gradation for very low income is a 2.5 percent increase in the bonus for every 1 percent increase in the number of very low income dwelling units provided. Continuing this gradation to 50 percent results in a bonus of 50 percent for a development with 17 percent or greater of its dwelling units designated for very low income households. A development providing the maximum percentage of very low income dwelling units using this proposal would receive a density increase of 15 percent beyond what is currently allowed by the regulations for providing 6 percent more of its total dwelling units as very low income.

Low Income. The gradation for low income is a 1.5 percent increase in the density bonus for every 1 percent increase in the number of low income dwelling units provided. Continuing this gradation to 50 percent results in a density bonus of 50 percent for a development with 39 percent or greater of its dwelling units designated for low income households. A development providing the maximum percentage of low income dwelling units using this proposal would receive a density increase of 15 percent beyond what is currently allowed by the regulations for providing 10 percent more of its total dwelling units as low income.

Moderate Income. The gradation for moderate income is a 1 percent increase in the density bonus for every 1 percent increase in the number of moderate income dwelling units provided. Continuing this gradation

to 50 percent results in a density bonus of 50 percent for a development with 55 percent or greater of its dwelling units designated for moderate income households. A development providing the maximum percentage of moderate income dwelling units using this proposal would receive a density increase of 15 percent beyond what is currently allowed by the regulations for providing 15 percent more of its total dwelling units as moderate income.

Proposal #2: Increased Number of Development Incentives

The Affordable Housing Density Bonus Regulations, in addition to a density bonus, also provide a development incentive (the ability to deviate from a development regulation consistent with findings) as a motivation for providing affordable housing units. Similar to the density bonus, the number of development incentives is tied to the level of affordability (low, very low, or moderate income) and the percentage of affordable dwelling units provided. The relationship between the number of development incentives and the percentage of affordable dwelling units provided varies between the levels of affordability, except that the current maximum number of 3 development incentives applies to all three levels of affordability.

This proposal increases the maximum number of incentives from 3 to 5 for all three levels of affordability. The increase from 3 incentives to 5 would maintain the same gradation currently used for each the level of affordability. The increase to 5 incentives would most likely be requested in communities with PDO's that apply additional layers of regulation.

Very Low Income. The gradation for very low income is an increase of 1 incentive for every 5 percent increase in the number of very low income dwelling units provided. Continuing this gradation to 5 incentives results in 5 incentives for a development with 25 percent or greater of its dwelling units designated for very low income households. A development providing the maximum percentage of very low income dwelling units using this proposal would receive 2 incentives beyond what is currently allowed in exchange for providing 10 percent more of its total dwelling units as very low income.

Low Income. The gradation for low income is an increase of 1 incentive for every 10 percent increase in the number of very low income dwelling units provided. Continuing this gradation to 5 incentives results in 5 incentives for a development with 50 percent or greater of its dwelling units designated for very low income households. A development providing the maximum percentage of low income dwelling units using this proposal would receive 2 incentives beyond what is currently allowed in exchange for providing 20 percent more of its total dwelling units as low income.

Moderate Income. The gradation for moderate income is an increase of 1 incentive for every 10 percent increase in the number of very low income dwelling units provided. Continuing this gradation to 5 incentives results in 5 incentives for a development with 25 percent or

greater of its dwelling units designated for very low income households. A development providing the maximum percentage of moderate income dwelling units using this proposal would receive 2 incentives beyond what is currently allowed in exchange for providing 25 percent more of its total dwelling units as moderate income.

Proposal #3: Reduced Permit Process in PDO's

Nine of the City's Planned District Ordinances require a PDO Site Development Permit (SDP) in accordance with Process 3 for specified developments. This proposal reduces the permit requirement to a Neighborhood Development Permit (NDP) in accordance with Process 2. The findings required to approve a Site Development Permit are identical to the findings required to approve a Neighborhood Development Permit; the development will not adversely affect the land use plan, it will not be detrimental to the public health safety and welfare, and it will comply with applicable regulations of the Land Development Code. The reduction to Process 2 provides an incentive in that the lower decision process will save 1.5 to 2 months processing time as well as costs associated with reduced timeframe and costs associated with preparation for a public hearing. Both processes are appealable to the Planning Commission. A comparison of Process 2 and Process 3 decision levels follows.

Comparison of Process 3 and Process 2

<u>SDP – Process 3</u>	<u>NDP – Process 2</u>
<ul style="list-style-type: none"> • Notice of Application • Development Review • CEQA Review • Community Planning Group • Drafting Permit • Prepare Report to Hearing Officer • Hearing Preparations • Notice of Public Hearing • Hearing Officer Hearing • Appealable to Planning Commission 	<ul style="list-style-type: none"> • Notice of Future Decision • Development Review • CEQA Review • Community Planning Group • Drafting Permit/Decision • Staff Decision • Appealable to Planning Commission

Proposal #4: Reduced Parking Ratio

Provision of parking is a very costly component of residential development. AB-744, which was signed into law in October 2015, mandates the City provide significant reductions in parking requirements for qualified projects that are located within one-half mile of a major transit stop. A major transit stop is defined in Section 2115 of the Public Resources Code as follows:

“Major transit stop” means a site containing an existing rail station, a ferry terminal served by either a bus or rail service, or the intersection of two or more major bus routes with a frequency of service interval of

15 minutes or less during the morning and afternoon peak commute periods. It also includes major transit stops that are included in the applicable regional transportation plan.

The parking ratios are inclusive of guest and disabled parking. It should be noted that the City's Affordable Housing Parking Regulations may provide additional reductions for the affordable housing units. Attachment 3 (AB-744 Areas Map) identifies the areas of the City of San Diego within one-half mile of a major transit stop. The following table identifies which affordable housing developments would benefit from the reduced parking ratios.

AB-744 Parking Reduction Qualifications

Product	Percent Affordable	Transit Requirement	Parking Ratio for Development¹
For sale or rent <i>development</i> containing market rate and <i>low income</i> and/or <i>very low income</i> dwelling units <ul style="list-style-type: none"> • Very Low Income • Low Income 	11% 20%	Within ½ mile of unobstructed access to a rail station, a ferry terminal served by bus or rail service, or the intersection of two or more bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods, or a major transit stop included in the applicable regional transportation plan	0.5 spaces per <i>bedroom</i>
Rental Housing <ul style="list-style-type: none"> • Low & Very Low Income 	100% ²		0.5 spaces per <i>dwelling unit</i>
Rental housing with an affordable housing cost to lower income senior citizens in accordance with Civil Code Sections 51.3 and 51.12	100% ²	The development shall have either paratransit service, or unobstructed access within one-half mile, to a fixed bus route service that operates at least eight times per day.	0.5 spaces per <i>dwelling unit</i>

¹ Parking reductions shall not be subject to the parking regulations of the Transit Overlay Zone and shall not be entitled to parking reductions provided for in Section 142.0550 (Parking Assessment District Calculation Exception).

² Exclusive of manager's unit.

Proposal #5: Off-site Affordable Dwelling Units

This proposal offers developers the option of locating required affordable units at an off-site location, similar to the program in the Future Urbanizing Area. The proposal would allow for an applicant to take advantage of the affordable housing density bonus regulations and locate the affordable units at another location. Agreements between the applicant and the SDHC would be required to be completed prior to any development approval. The following requirements are proposed in the regulations.

- The off-site affordable housing must be either in the same community planning area and City Council District or, within one mile of the applicant's development. Except that the off-site affordable housing may be located elsewhere with approval of a Process Four Planned Development Permit (appealable to the City Council).

- The number, affordability levels and bedroom mix of the off-site units must match those required of the applicant's development.
- The applicant must record a deed restriction that documents the required number of affordable units and assigns foreclosure rights to the SDHC if new construction is not available for occupancy within 54 months or redevelopment is not available for occupancy within 36 months. An extension of time may be granted upon a determination of the Chief Executive of the SDHC.
- Any other requirements in the agreements between applicant and the SDHC to guarantee the affordable units in compliance with the regulations.

The number of housing developers participating in the City's Affordable Housing Density Bonus Regulations and creating additional affordable housing units is expected to increase as a result of the off-site option. The following are additional benefits provided by the off-site option.

- Bundling together requirements of multiple projects with few affordable housing units reduces the cost of delivering affordable housing by achieving economies of scale. At a larger scale, additional financing sources such as Low Income Housing Tax Credits become more feasible.
- Combining requirements of multiple projects with few affordable housing units reduces the cost of compliance monitoring and simplifies the monitoring by reducing number of properties that need monitoring. This increases the likelihood that the affordable housing units are managed by an experienced affordable housing property manager.
- The off-site proposal facilitates delivery of targeted on-site resident services to low- and very low-income residents by grouping residents together in a single complex, vs. scattering the residents throughout the community.
- The proposal is in line with the successful affordable housing model used in the Future Urbanizing Area, where market rate developers dedicated affordable housing sites to be constructed and operated in efficient and well-run complexes immediately adjacent to market rate housing.
- The proposal recognizes that not-for profit affordable housing developers are the specialists when it comes to providing quality affordable housing units with supportive services and that market rate developers know how to best develop market rate housing.
- The off-site proposal also complies with the Climate Action Plan by offering incentives to maximize the development of urban sites in close proximity to transit.

CONCLUSION

The City of San Diego has declared, every two weeks since after August 6, 2002 through November 17, 2015, a continued emergency due to severe shortage of affordable housing in the City. On December 15, 2015 the City Council adopted a resolution declaring the City Council's commitment to affordable housing programs and services in the City of San Diego, in lieu of continually declaring a state of emergency pursuant to Government Code section 8630.

The amendments to the City's Land Development Code and the City's Local Coastal Program are proposed as a means of increasing production of affordable housing consistent with the City's past declarations and current resolution. The amendments further incentivize developments that include affordable housing by providing increases to the density bonus and development incentives, by reducing the decision process in PDOs, and providing the option of locating affordable dwelling units off-site. Additionally, the amendments include regulations to implement State mandated parking reduction consistent with AB-744.

ALTERNATIVES

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

Respectfully submitted,



Robert Vacchi
Director
Development Services Department



Dan Normandin
Project Manager III
Development Services Department

VACCHI/DPN

Attachments:

1. CEQA 15162 Evaluation Memo dated February 8, 2016
2. Draft Strikeout/underline of the Regulations
3. AB-744 Areas Map



The City of San Diego
MEMORANDUM

DATE: February 8, 2016

TO: Dan Normandin, Development Project Manager III, Development Services Department

FROM: Anne B. Jarque, Senior Planner, Development Services Department

SUBJECT: Amendments to Land Development Code related to the Affordable Housing Density Bonus Regulations Phase II – California Environmental Quality Act – Section 15162 Evaluation

The Development Services Department (DSD) has completed a California Environmental Quality Act (CEQA) Section 15162 – Subsequent EIRs and Negative Declaration consistency evaluation in compliance with Public Resources Code 21166 for the proposed amendments to Land Development Code (LDC) Chapter 12, Article 6, Division 6 – Planned Development Permit Procedures; Chapter 14, Article 3, Division 7 – Affordable Housing Density Bonus Regulations; Chapter 15, Article 1, Division 2 – Permits and Procedures for Planned Districts; and Chapter 15, Article 6, Division 3 – The Centre City Planned District.

This evaluation was performed to determine if conditions specified in CEQA Guidelines Section 15162 would require preparation of additional CEQA review. As outlined in the evaluation matrix attached, DSD has determined that the proposed amendments are consistent with the original LDC Environmental Impact Report (EIR) No. 96-0333/SCH No. 96081056, certified by City Council on November 18, 1997, Resolution No. 98-288; as well as the City of San Diego General Plan Program EIR No. 104495/SCH No. 20006091032, certified by City Council on March 10, 2008, Resolution No. 2008-685; and would not result in new impacts.

PROJECT SCOPE AND DESCRIPTION

As described in LDC Section 143.0701, the purpose for the City's Affordable Housing Density Bonus Regulations (Density Bonus Regulations) is to provide increased residential density to developers who guarantee that a portion of their residential development would be available to moderate income, low income, very low income, or senior households. In addition, these regulations are intended to implement the provisions of the state's Density Bonus Law (California Government Code Sections 65915 through 65918).

To implement state Assembly Bill (AB) 744 and further incentivize developers to provide affordable housing projects, the proposed amendments would:

- Increase to the maximum density bonus allowable from 35% up to 50% for projects that provide the higher percentage of very low and low income affordable housing units;

Page 2
 Mr. Dan Normandin
 February 8, 2016

- Increase the number of incentives available to developers from 3 up to 5 incentives for projects that provide the higher percentage of very low, low and moderate income affordable housing units;
- Reduce parking requirements for density bonus projects located near high-frequency transit areas to comply with AB 744; and
- Allow density bonus projects to locate affordable dwelling units off-site.
- Lower the decision process for density bonus projects that require a Process Three discretionary planned district permit to be decided in accordance with a Process Two Neighborhood Development Permit instead;

BACKGROUND

The LDC was created to consolidate development regulations into a sequence of chapters of the Municipal Code to simplify the City's land development regulations; make the land development regulations more objective; make the code more adaptable; eliminate redundancies and contradictions; standardize the code framework; and increase predictability in the application of land development regulations. The certified LDC EIR anticipated that regular updates of the LDC would occur to maintain the code consistent with the goals described above.

The associated EIR analyzed the environmental effects associated with adoption and implementation of the proposed LDC, related regulations, amendments and appeals. The LDC EIR identified significant unmitigated impacts in the following issue areas: Land Use, Biological Resources, Landform Alteration, Historical Resources, Paleontological Resources, and Human Health and Public Safety. Cumulative impacts were also identified to Soils/Erosion Hazard, Air Quality, Hydrology/Water Quality, Biological Resources, Land Use, Transportation/Circulation, Landform Alteration, Historical Resources, and Paleontological Resources. A Mitigation Monitoring and Reporting Program was adopted with LDC EIR to reduce potentially significant impacts to Land Use, Biological Resources, Historical Resources, Landform Alteration / Neighborhood Character, Paleontological Resources, Natural Resources, and Human Health and Safety.

With the adoption of the LDC and certification of this EIR, the Density Bonus Regulations were codified and City Council has adopted by ordinance subsequent amendments to these regulations in 1999, 2007 and 2015. A Negative Declaration (LDR No. 98-1218/SCH No. 9921005) was prepared for the 1999 amendments and a Supplement to EIR (SEIR) No. 96-0633 (Project No. 63422/SCH No. 96081056) was prepared for the 2007 amendments. A legal challenge that disputed the adequacy of the SEIR was upheld that invalidated the environmental document. The amendments adopted by City Council in July 2015 included major provisions of state AB 2222 and provided clarifications that were raised by Coastal Commission staff. A CEQA 15162 Consistency Evaluation was prepared for these amendments and all provisions of the Affordable Housing Density Bonus Regulations in Chapter 14, Article 3, Division 7 were readopted.

In addition, the City of San Diego General Plan (General Plan) is a citywide comprehensive policy-level document that anticipated future actions, including community plan updates, land development code amendments and applicable ordinances to be required as a result of its implementation. The General Plan's City of Villages strategy implements policies that encourage mixed-use development that are pedestrian-friendly, centers of community, and linked to regional transit system. The associated Program EIR (PEIR) analyzed the

Page 3
Mr. Dan Normandin
February 8, 2016

environmental effects associated with its adoption and implementation. The General Plan PEIR identified significant unmitigated impacts in the following issue areas: Air Quality, Biological Resources, Geologic Conditions, Health and Safety, Historical Resources, Hydrology, Land Use, Mineral Resources, Noise, Paleontological Resources, Population and Housing, Public Facilities, Public Utilities, Transportation/Traffic/Circulation/Parking, Visual Effects and Neighborhood Character, and Water Quality. The General Plan PEIR included a Mitigation Framework to identify means by which potentially significant impacts could be reduced or avoided in cases where the PEIR analysis determined such impacts to be potentially significant. Standard existing regulations requirements, programs and procedures that are applied to all similar projects were taken into account in identifying additional project specific mitigation that may be needed to reduce identified significant impacts.

Subsequently, an Addendum to the City's General Plan PEIR (Project No. 270400) was prepared and certified on March 4, 2013 which addressed the General Plan Housing Element Update, Year 2013–2020. The Housing Element, which is mandated by state law to be updated every eight years, contains objectives, policies, and programs that address regional housing needs for all income groups. As such, incentive programs such as inclusionary housing and density bonus for low to moderate income households support meeting the Housing Element's goals by:

- Streamlining the entitlement and permitting process for new residential development by minimizing governmental constraints in the development, improvement, and maintenance of housing without compromising the quality of governmental review or the City's responsibility to ensure development takes place in a sustainable manner; and
- Providing affordable housing opportunities consistent with a land use pattern which promotes infill development and socioeconomic equity; and facilitate compliance with all applicable federal, state, and local laws and regulations.

Thus, the proposed amendments are covered and the subsequent analysis would be consistent with the previous environmental reviews and documents prepared for the LDC, Density Bonus Regulations, General Plan and Housing Element Update.

CEQA 15162 CONSISTENCY EVALUATION

DSD reviewed the proposed amendments and conducted an 15162 consistency evaluation in compliance with Public Resources Code Section 21166 with the previously certified LDC EIR No. 96–0333/SCH No. 96081056 and the General Plan PEIR No. 104495/SCH No. 2006091032. The evaluation matrix (Attachment 1) substantiates the conclusion that supports a determination that no subsequent document is required.

CONCLUSION

Overall, it is not anticipated that the implementation of the proposed amendments would result in any significant direct, indirect or cumulative impacts over and above those disclosed in the previously certified LDC EIR No. 96–0333/SCH No. 96081056 and the General Plan EIR No. 104495/SCH No. 2006091032. The project would not result in new impacts or changed circumstances that would require a new environmental document.

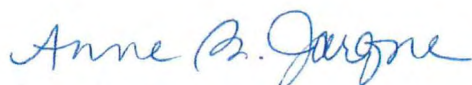
Page 4
Mr. Dan Normandin
February 8, 2016

Section 15162 of the CEQA Guidelines states:

When an EIR has been certified or a negative declaration adopted for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, one or more of the following:

- (1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
- (2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
- (3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:
 - (A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;
 - (B) Significant effects previously examined will be substantially more severe than shown in the previous EIR;
 - (C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
 - (D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

DSD finds that none of the three criteria listed above has occurred. Therefore, pursuant to Public Resources Code 21166 and CEQA Guidelines Section 15162 the certified EIR No. 96-0333/SCH No. 96081056 and General Plan PEIR No. 104495/SCH No. 2006091032 adequately covers the modifications to LDC Chapter 12, Article 6, Division 6 – Planned Development Permit Procedures; Chapter 14, Article 3, Division 7 – Affordable Housing Density Bonus Regulations; Chapter 15, Article 1, Division 2 – Permits and Procedures for Planned Districts; and Chapter 15, Article 6, Division 3– The Centre City Planned District being proposed.



Anne B. Jarque
Senior Planner

Attachment: 1. CEQA Guidelines Section 15162 Consistency Evaluation Matrix

**CEQA Guidelines Section 15162 Consistency Evaluation Matrix
Affordable Housing Density Bonus Phase II**

Following is analysis of the amendments proposed in accordance with Public Resources Code 21166 and CEQA Guidelines Section 15162.

No.	AMENDMENT DESCRIPTION and CEQA 15162 EVALUATION
1	<p><u>Increase Density Bonus and Incentives</u> Amends Section 143.0725 and Tables 143.07A through C to include the following:</p> <ul style="list-style-type: none"> • Increase the maximum density bonus from 35% up to 50% for development that provides the higher percentage of very low, low and moderate income units; and • Increase the density bonus incentives available from 3 up to 5 for development that provides the higher percentage of very low, low and moderate income units. <p>CEQA 15162 Evaluation: Current state Density Bonus Law and the City's LDC allows the maximum density bonus to be up to 35% for very low, low and moderate income dwelling units based on the percentage of affordable housing provided. To further encourage developers to provide more affordable housing, cities or counties can also grant a density bonus greater than what is required under state law. Therefore, the amendment would increase the maximum density bonus allowance up to 50% for development that provides a higher percentage of very low, low and moderate income dwelling units. In addition, the number of density bonus incentives available would also increase from 3 up to 5 incentives for projects that also provide the higher percentage of very low, low and moderate income dwelling units.</p> <p>As previously analyzed in the LDC EIR, the code includes regulations that address a variety of treatments, options, exceptions and bonuses for development projects. The LDC EIR also addressed growth-inducing impacts when a project, such as the proposed regulations, would directly or indirectly fosters economic growth, population growth, or additional housing; when it removes obstacles to growth; when it overburdens public facilities and services; or when it encourages or facilitates other activities that could significantly affect the environment. Since the Density Bonus Regulations are intended to provide incentives, bonuses and exceptions from the development standards to encourage more affordable dwelling units, the proposed amendments would not change the previous analysis and conclusions in the LDC EIR and Density Bonus environmental documents.</p> <p>Furthermore, the City's General Plan PEIR and subsequent Housing Element Addendum took into account the Density Bonus Regulations in its project description and environmental analysis. The PEIR anticipated the implementation of City programs and policies, such as the Affordable Housing Density Bonus Regulations, which could displace substantial numbers of people or require the construction of replacement housing. The General Plan PEIR concluded that population and housing impacts may result in a significant CEQA impact and the potential for a significant and unavoidable impact would remain even if project-level site specific measures could reduce the impact to less than significant or when no feasible mitigation exists.</p> <p>In addition, for any density bonus incentive requested, the City may make a written finding of denial based on substantial evidence in accordance with Section 143.0740(c)(1). Incentives for density bonus projects can be 1) any deviation to a</p>

No.	AMENDMENT DESCRIPTION and CEQA 15162 EVALUATION
	<p>development regulation, 2) approval of a mixed use zoning development that meets specific requirements, or 3) any other incentive that results in identifiable, financially sufficient, actual cost reductions. The regulations that allow a written finding for denial ensures that density bonus incentives requested by an applicant are not required in order to provide for affordable housing costs; would not have a specific adverse impact upon public health and safety, the physical environment, or a historical resource listed on the California Register of Historical Resources; are analyzed in compliance with state or federal law, including CEQA; and would not be inconsistent with the City's Local Coastal Program or environmentally sensitive lands regulations. Although the proposed amendment would increase the number of incentives available, each requested incentive would still be required to be analyzed in compliance with CEQA.</p> <p>Therefore, the proposed amendment would not result in new significant environmental effects or substantially increase the severity of significant effects or mitigation requirements beyond those identified in the LDC EIR and General Plan PEIR.</p>
2	<p><u>Parking Reduction for Affordable Housing Density Bonus Projects Close to Transit</u> Amend Section 143.0740 and add Table 143-07D to provide reduced parking ratios for certain affordable housing density bonus projects that are located within 1/2 mile to a major transit stop in compliance with state AB 744.</p> <p>CEQA 15162 Evaluation: To implement the provisions of AB 744, the proposed amendment would allow a reduced parking ratio of 0.5 parking spaces per bedroom/dwelling unit for certain density bonus projects that include a percentage of very low and/or low income units (for sale or rent) and is located within 1/2 mile of a major transit stop. A major transit stop is defined as being within 1/2 mile of a rail station, a ferry terminal served by bus or rail services, or the intersection of two or more bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods, or a major transit stop included in the applicable regional transportation plan.</p> <p>As discussed in the LDC EIR, the average increase in area required for parking would be offset by several factors, including projects that have reduced parking requirements for very low income housing projects and residential development located in designated transit areas. Based on these factors, the LDC EIR determined that the implementation of the code would not have a significant adverse effect on the amount of parking required in the City, nor on the area required to meet parking demands.</p> <p>Various studies, including the City of San Diego Affordable Housing Parking Study (December 2011), have shown that proximity to transit may reduce the parking demand and should be considered when determining the parking requirements for affordable housing development. In addition, as stated in AB 744, a state-review of developments funded through the Department of Housing and Community Development's Transit-Oriented Development Implementation Program (TOD program) shows that lower income households drive 25% to 30% fewer miles when living within 1/2 mile of transit than those living in non-TOD program areas. Given these factors and implementation of other state-policies to reduce greenhouse gases by limiting vehicle use (AB 32) and promote transit-oriented infill development (SB 375), a reduced parking ratio for density bonus projects in close proximity to high-frequency transit would be consistent</p>

No.	AMENDMENT DESCRIPTION and CEQA 15162 EVALUATION
	<p>with the LDC EIR. Therefore, the proposed amendment would not result in new significant environmental effects or substantially increase the severity of significant effects or mitigation requirements beyond those identified in the LDC EIR and General Plan PEIR.</p>
3	<p><u>Locating Required Affordable Dwelling Units Off-site</u> Add Section 143.0745 Locating Required Affordable Dwelling Units Off-site to identify the specific requirements to allow density bonus projects an option to provide the required affordable housing dwelling units off-site. Also, amend Section 126.0602 When a Planned Development Permit May be Requested, and Section 126.0604 Findings for Planned Development Approval to allow this option through a Planned Development Permit (PDP) if the off-site affordable housing dwelling units do not meet the locational criteria described.</p> <p>CEQA 15162 Evaluation: The proposed amendment would provide an option to developers who want to take advantage of the Density Bonus Regulations but locate the required affordable dwelling units off-site. The off-site affordable dwelling units must be located in the same community planning area and City Council District, or within one-mile of the proposed development. If the off-site location does not meet the location criteria, an applicant may still locate the affordable housing off-site with a Process Four Planned Development Permit. These proposed regulations only provide the limitations and requirements for which this option is available and does not preclude either affordable housing development from obtaining any required discretionary permits or undergo site-specific CEQA review. An agreement securing the off-site affordable units must also be made with the San Diego Housing Commission prior to the first building permit.</p> <p>The proposed amendment is an administrative change to provide an option for density bonus projects to locate affordable housing off-site and would not result in a physical impact to the environment analyzed under CEQA. Therefore, the proposed amendment would not result in new significant environmental effects or substantially increase the severity of significant effects or mitigation requirements beyond those identified in the LDC EIR.</p>
4	<p><u>Process Two Neighborhood Development Permit</u> Amends Section 151.0201 Processing of Planned District Permit to lower the decision process for density bonus projects that require a Process Three planned district permit to be decided in accordance with a Process Two Neighborhood Development Permit instead.</p> <p>CEQA 15162 Evaluation: The LDC EIR described the establishment of planned districts to allow special land use controls which may be different in some respect from City-wide ordinances. This amendment would allow density bonus projects that require a Process Three planned district permit to be processed in accordance with a Process Two Neighborhood Development Permit instead. The decision and review would remain discretionary and still require project-level CEQA review. Also, the project would still be required to make the general findings for Site Development Permits and any other applicable supplemental findings required for approval. This amendment is intended to provide an added incentive to provide affordable housing by reducing processing</p>

No.	AMENDMENT DESCRIPTION and CEQA 15162 EVALUATION
	<p>timeframes for density bonus projects within a planned district. The Process Two staff level decision to approve/deny a project can still be appealed to the City's Planning Commission and the environmental determination can still be appealed to the City Council.</p> <p>The proposed amendment is an administrative change to lower the discretionary decision process and permit for certain density bonus projects within planned districts and would not result in a physical impact to the environment analyzed under CEQA. Therefore, the proposed amendment would not result in new significant environmental effects or substantially increase the severity of significant effects or mitigation requirements beyond those identified in the LDC EIR.</p>

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§126.0602 When a Planned development Permit May be Requested

- (a) [No change in text.]
- (b) The following types of development may be requested with a Planned Development Permit to be decided in accordance with Process Four.
 - (1) through (3) [No change in text.]
 - (4) Provision of off-site affordable *dwelling units* in accordance with 143.0745 that are not located within the same community planning area and City Council District, or within one mile of the *development*.

§126.0604 Findings for Planned Development Permit Approval

A Planned Development Permit may be approved or conditionally approved only if the decision maker makes all of the *findings* in Section 126.0604(a) and the supplemental *findings* in Section 126.0604(b) that are applicable to the proposed *development* as specified in this section.

(a) and (b) [No change in text.]

(c) Supplemental Findings – Off-site Affordable Dwelling Units

A *development* using the Affordable Housing Density Bonus Regulations that proposes to locate affordable *dwelling units* off-site in accordance with Section 143.0745 may be approved or conditionally approved only if the decision maker makes the following supplemental *findings* in addition to the *findings* in Section 126.0604(a):

- (1) The location of the off-site affordable *dwelling units* will provide comparable or superior access to transit. Factors to be considered include, but are not limited to, the number, frequency and destination of transit routes within one-half mile;
- (2) The location of the off-site affordable *dwelling units* will provide comparable or superior access to employment opportunities. Factors to be considered include, but are not limited to, distances to and transit availability to regional centers, subregional employment areas, industrial, and prime industrial lands as described in the General Plan;
- (3) For non-age restricted *development* the location of the off-site affordable *dwelling units* will provide comparable or superior access to *schools*. Factors to be considered include, but are not limited to, the number of *schools*, the educational levels of the

schools, whether the schools are private or public, whether the schools are vocational, and the travelling distances to the schools.

- (4) *The off-site affordable dwelling units are located in a census tract with an average income level that is no more than 5% lower than the census tract of the development.*

§143.0710 Purpose of Affordable Housing Density Bonus Regulations

The purpose of these regulations is to provide increased residential *density* to developers who guarantee that a portion of their residential *development* will be available to *moderate income*, *low income*, *very low income*, or senior households. The regulations are intended to materially assist the housing industry in providing adequate and affordable housing for all economic segments of the community and to provide a balance of housing opportunities for *moderate income*, *low income*, *very low income*, and senior households throughout the City. It is intended that the affordable housing *density* bonus and any additional *development* incentive be available for use in all residential *development* of five or more units, using criteria and standards provided in the General Plan, and that requests be processed by the City of San Diego and be implemented by the President and Chief Executive Officer of the San Diego Housing Commission. It is also intended that these regulations implement the provisions of California Government Code Sections 65915 through 65918.

§143.0715 When Affordable Housing Density Bonus Regulations Apply

This division applies to any residential *development* where current zoning allows for five or more *dwelling units*, not including *density* bonus units, where an *applicant* proposes *density* beyond that permitted by the base zone and *land use plan* at the time the application is *deemed complete*, in exchange for either of the following:

- (a) A portion of the total *dwelling units* in the *development* being reserved for *moderate*, *low*, or *very low income* households or for senior citizens through a written agreement with the San Diego Housing Commission; or
- (b) The donation of land, pursuant to the State Density Bonus Law.

§143.0717 Required Replacement of Affordable Units

- (a) An *applicant* is ineligible for a *density* bonus or any incentive under this division if the property on which the *development* is proposed contains, or during the five years preceding the application, contained, rental *dwelling units* that have had the rents restricted by law or covenant to persons and families of *low income* or *very low income*, or have been occupied by persons and families of *low income* or *very low income*, unless the proposed *development* replaces the affordable *dwelling units*, and either:

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- (1) Provides affordable *dwelling units* at the percentages set forth in Section 143.0725 (inclusive of the replacement *dwelling units*), or
 - (2) Provides all of the *dwelling units* as affordable to *low income* or *very low income* households, excluding any manager's unit(s).
- (b) The number and type of required replacement *dwelling units* shall be determined as follows:
- (1) If any of the *dwelling units* are occupied, the replacement *dwelling units* must be at least the same number of *dwelling units* of equivalent size or type, or both, and must be made affordable to and occupied by persons and families in the same or a lower income category as the occupied *dwelling units*. If any *dwelling units* are unoccupied, the replacement *dwelling units* shall be of the same proportion of affordability as those *dwelling units* that are occupied.
 - (2) If the *dwelling units* in the *development* are vacant or have been demolished within the five year period preceding the application, the replacement *dwelling units* must be of at least the same number of *dwelling units* of equivalent size or type, or both, as existed at the time of the greatest number of occupied affordable *dwelling units* in that *development*, and must be made affordable to and occupied by, persons and families in the same or lower income categories as those in occupancy at that time. If the income categories are unknown for this five year period, then at least one-half of the replacement *dwelling units* shall be made available for rent to or purchase by and occupied by persons and families in the *very low income* category, and one-half of the replacement *dwelling units* shall be made available for rent to and occupied by persons and families in the *very low income* category.
 - (3) All replacement *dwelling unit* calculations resulting in fractional units shall be rounded up to the next whole number.
 - (4) All rental replacement *dwelling units* shall be affordable for at least 55 years.

§143.0720 Density Bonus in Exchange for Affordable Housing Units

- (a) A *development* shall be entitled to a *density* bonus and incentives as described in this division, for any residential *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 agreement and deed of trust in favor of the San Diego Housing Commission are to be recorded in the

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Office of the Recorder of the County of San Diego as an encumbrance against the *development*.

- (b) The *density* bonus units authorized by this division shall be exempt from the Inclusionary Housing Regulations set forth in Chapter 14, Article 2, Division 13, provided the affordability restrictions, term of affordability, occupancy, and rents charged under the density bonus restrictions provide greater affordability than those within the inclusionary housing ordinance.
- (c) A rental affordable housing *density* bonus agreement shall utilize the following qualifying criteria consistent with the procedures established by the San Diego Housing Commission:
 - (1) ~~Low income—At least 10 percent of the pre-density bonus units in the development shall be affordable, including an allowance for utilities, to low income households at a rent that does not exceed 30 percent of 60 percent of area median income, as adjusted for assumed household size~~ Very low income- At least 5 percent of the pre-density bonus units in the development shall be affordable, including an allowance for utilities, to very low income households at a rent that does not exceed 30 percent of 50 percent of the area median income, as adjusted for household size; or
 - (2) ~~Very low income—At least 5 percent of the pre-density bonus units in the development shall be affordable, including an allowance for utilities, to very low income households at a rent that does not exceed 30 percent of 50 percent of the area median income, as adjusted for household size~~ Low income- At least 10 percent of the pre-density bonus units in the development shall be affordable, including an allowance for utilities, to low income households at a rent that does not exceed 30 percent of 60 percent of area median income, as adjusted for household size.
 - (3) The affordable units shall be designated units, be comparable in bedroom mix and amenities to the market-rate units in the *development*, and be dispersed throughout the *development*.
 - (4) The *dwelling units* shall remain available and affordable for a period of at least 55 years or longer, as may be required by other laws or covenants.
- (d) A for-sale affordable housing *density* bonus agreement shall utilize the following qualifying criteria consistent with the procedures established by the San Diego Housing Commission:
 - (1) Very low income - At least 5 percent of the pre-density bonus units in the development shall be affordable, including an allowance for utilities, to very low income households at a rent that does not

exceed 30 percent of 50 percent of the area median income, as adjusted for household size.

- (2) Low income - At least 10 percent of the pre-density bonus units in the development shall be affordable, including an allowance for utilities, to low income households at a rent that does not exceed 30 percent of 60 percent of area median income, as adjusted for household size.
- (13) *Moderate income* - At least 10 percent of the total *dwelling units* in a common interest development, as defined in California Civil Code Section 4100, shall be affordable, provided that all *dwelling units* in the *development* are offered to the public for purchase.
- (24) The initial occupant of all for-sale affordable housing units dwelling units shall be a *very low income*, *low income*, or *moderate income* household.
- (35) Prior to, or concurrent with, the sale of each *density* bonus affordable unit, the *applicant* shall require the buyer to execute and deliver a promissory note in favor of the San Diego Housing Commissions so that the repayment of any initial subsidy is ensured.
- (46) Each for-sale unit shall be occupied by the initial owner at all times until the resale of the unit.
- (57) Upon the first resale of a unit the seller shall comply with all conditions regarding the sale of a unit, as applied by the San Diego Housing Commission, and as set forth in California Government Code Section 65915(c)(2).
- (68) The affordable units shall be designated units, be comparable in bedroom mix and amenities to the market-rate units in the *development*, and be dispersed throughout the *development*.
- (e) A *density* bonus agreement for housing for senior citizens shall utilize the following qualifying criteria consistent with the procedures established by the San Diego Housing Commission:
 - (1) The *development* consists of housing for senior citizens or qualifying residents as defined under California Civil Code Section 51.3 and 51.12, where at least 35 *dwelling units* are provided; or a *mobilehome* park that limits residency based on age requirements for housing for older persons pursuant to California Civil Code Section 798.76 or 799.5.

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- (2) The *dwelling units* shall remain available for a period of at least 3055 years or longer as may be required by other laws.
- (f) The *density* bonus units shall have recorded against them a Declaration of Covenants, Conditions and Restrictions in favor of the San Diego Housing Commission that shall enjoy first lien position and shall be secured by a deed of trust that may be recorded against the project or unit, as applicable, prior to construction or permanent financing.
- (g) Provision shall be made by the San Diego Housing Commission for certification of eligible tenants and purchasers, annual certification of property owner compliance, payment of administration and monitoring fees to the San Diego Housing Commission, as adjusted from time to time, for administration and monitoring of applications, inquiries, legal research, affordable unit requirements, and any other terms that the San Diego Housing Commission determines are needed to implement the provisions and intent of this division and State law.
- (h) A *condominium conversion* that provides at least 33 percent of the total *dwelling units* to *low income* and *moderate income* households, or 15 percent of the total *dwelling units* to *low income* households, shall be entitled to a *density* bonus of 25 percent or other incentives of equivalent financial value in accordance with State Density Bonus Law and this division, unless the *development* previously received a *density* bonus or other incentives.

§143.0725 Density Bonus Provisions

A *development* proposal requesting an affordable housing *density* bonus is subject to the following:

- (a) For senior citizen housing meeting the criteria of Section 143.0720(e), the *density* bonus shall be 20 percent.
- (b) ~~For *development* meeting the criteria for *low income* in Section 143.0720(e)(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 35 percent. For *development* meeting the same criteria within the Centre City Planned District, the bonus shall apply to the maximum allowable *floor area ratio* applicable to the *development* consistent with Section 156.0309(e)~~ For *development* meeting the criteria for *very low income* in Section 143.0720(c)(21), the *density* bonus shall be calculated as set forth in Table 143-07BA. 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. For *development* meeting the same criteria within the Centre City Planned District, the bonus shall apply

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to the maximum allowable floor area ratio applicable to the *development* consistent with Section 156.0309(e).

- (c) ~~For *development* meeting the criteria for *very low income* 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 35 percent. For *development* meeting the same criteria within the Centre City Planned District, the bonus shall apply to the maximum allowable floor area ratio applicable to the *development* consistent with Section 156.0309(e).~~ For *development* meeting the criteria for *low income* in Section 143.0720(c)(12), the *density* bonus shall be calculated as set forth in Table 143-07AB. 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. For *development* meeting the same criteria within the Centre City Planned District, the bonus shall apply to the maximum allowable floor area ratio applicable to the *development* consistent with Section 156.0309(e).
- (d) For *development* meeting the criteria for *moderate income* in Section 143.0720(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 ~~35~~ 50 percent. For *development* meeting the same criteria within the Centre City Planned District, the bonus shall apply to the maximum allowable floor area ratio applicable to the *development* consistent with Section 156.0309(e).
- (e) If the *premises* is located in two or more zones, the number of *dwelling units* permitted in the *development* is the sum of the *dwelling units* permitted in each of the zones. Within the *development*, the permitted number of *dwelling units* may be distributed without regard to the zone boundaries.
- (f) Where the *development* consists of two or more specifically identified parcels, whether contiguous or noncontiguous, the maximum number of *dwelling units* permitted on each parcel is calculated based on the area of that parcel.
- (g) Where the *development* consists of two or more noncontiguous parcels lying within two or more community planning areas, the *dwelling units* reserved at levels affordable by *moderate income*, *low income* or *very low income* households shall be distributed among community planning areas in the same proportion as the total number of *dwelling units* constructed within the *development*.

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§143.0730 Density Bonus in Exchange for Donation of Land

An *applicant* for a *tentative map*, *parcel map*, or residential *development* permit, may donate and transfer land to the City for *development* with affordable housing units ~~units~~ *dwelling units*, in exchange for a *density* bonus, in accordance with this division and pursuant to State Density Bonus Law.

§143.0740 Development Incentives for Affordable Housing Density Bonus Projects

The City shall process an incentive requested by an *applicant*, consistent with State Density Bonus Law and as set forth in this Section.

- (a) An incentive means any of the following:
 - (1) A deviation to a *development* regulation;
 - (2) Approval of mixed use zoning in conjunction with a residential *development* provided that the commercial, office, or industrial uses:
 - (A) Reduce the cost of the residential *development*; and
 - (B) Are compatible with the proposed residential *development*; and
 - (C) Are compatible with existing or planned *development* in the area where the proposed residential *development* will be located.
 - (3) Any other incentive proposed by the *applicant*, other than those identified in Section 143.0740(c), that results in identifiable, financially sufficient, actual cost reductions.
- (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) A deviation from the requirements of the Coastal Height Limit Overlay Zone (Chapter 13, Article 2, Division 5);
 - (3) A waiver of fees or dedication requirements;
 - (4) A direct financial incentive;
 - (5) A deviation from the requirements of the City of San Diego Building Regulations;

- (6) For projects required to notice the Federal Aviation Administration, an increase in height that has not received a determination of No Hazard to Air Navigation.
- (c) An incentive requested as part of a *development* meeting the requirements of Sections 143.0720 shall be processed according to the following:
 - (1) Upon an *applicant's* request, *development* that meets the applicable requirements of Sections 143.0720 and 143.0725 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) The incentive is not required in order to provide for affordable housing costs as defined in California Health and Safety Code Section 50052.5, or for rents for affordable housing *dwelling units* in accordance with Section 143.0720(c);
 - (B) The incentive would have a specific adverse impact upon public health and safety as defined in Government Code section 65589.5, the physical environment, including *environmentally sensitive lands*, or on any real property that is listed in the California Register of Historical Resources; and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the *development* unaffordable to *low income* and *moderate income* households;
 - (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) Within the Coastal Overlay Zone, the incentive would be inconsistent with the resource protection standards of the City's Local Coastal Program and the *environmentally sensitive lands* regulations, with the exception of *density*.
 - (2) Granting an incentive shall not require a General Plan amendment, zoning change, or other discretionary approval.
 - (3) 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.

- (4) The *development permit* requirement for a *development* requesting an incentive shall be the same *development permit* that would be required if the incentive were not a part of the *development* proposal.
- (5) Notwithstanding Sections 143.0740(c)(3) and (4), when a *development permit* is required, the decision to deny a requested incentive shall be made by the decision maker for the *development permit*.
- (d) The number of incentives available are identified in Table 143-07A for *very low income*, Table 143-07B for *very-low income*, and Table 143-07C for *moderate income* households consistent with the percentage of pre-density bonus units identified in column one of each table.

Table 143-07BA
Very Low Income Density Bonus
Households

Percent <i>Very Low Income</i> Units	Percent <i>Density Bonus</i>	Number of Incentives
5	20	1
6	22.5	
7	25	
8	27.5	
9	30	
10	32.5	2
11	35	
12	35 37.5	23 3
13	35 40	
14	35 42.5	
>15	35 45	
16	35 47.5	
17 – 19	35 50	34
20 – 24	35 50	
>25	50	

Table 143-07AB
Low Income Density Bonus
Households

Percent <i>Low Income</i> units	Percent <i>Density Bonus</i>	Number of Incentives
10	20	1
11	21.5	
12	23	
13	24.5	
14	26	
15	27.5	

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Percent <i>Low Income</i> units	Percent <i>Density Bonus</i>	Number of Incentives
16	29	
17	30.5	
18	32	
19	33.5	
20	35	
21	35 <u>36.5</u>	2
22	35 <u>38</u>	
23	35 <u>49.5</u>	
24	35 <u>41</u>	
25	35 <u>42.5</u>	
26	35 <u>44</u>	
27	35 <u>45.5</u>	
28	35 <u>47</u>	
29	35 <u>48.5</u>	
<u>≥30 - 39</u>	35 <u>50</u>	3
<u>40 -49</u>	35 <u>50</u>	<u>34</u>
<u>≥50</u>	35 <u>50</u>	<u>35</u>

Table 143-07C
Moderate Income Density Bonus
Households

Percent <i>Moderate Income</i> Units	Percent <i>Density Bonus</i>	Number of Incentives
10	5	1
11	6	
12	7	
13	8	
14	9	
15	10	
16	11	
17	12	
18	13	
19	14	
20	15	2
21	16	
22	17	
23	18	
24	19	
25	20	
26	21	
27	22	
28	23	
29	24	
30	25	3

Percent <i>Moderate Income</i> Units	Percent <i>Density Bonus</i>	Number of Incentives
31	26	
32	27	
33	28	
34	29	
35	30	
36	31	
37	32	
38	33	
39	34	
40	35	
41	36	<u>34</u> 4
42	37	
43	38	
44	39	
45	40	
46	41	
47	42	
48	43	
49	44	
50	45	
51	46	<u>5</u>
52	47	
53	48	
54	49	
≥55	50	

- (e) Child Care Center: *Development* that meets the criteria in Section 143.0720 and includes a child care center as defined in Section 141.0606(a)(2) as part of, or adjacent to, such *development* shall be entitled to an additional *density* bonus or incentive provided that:
- (1) The child care center remains in operation for the greater of 30 years, or the period of time established by Section 143.0720(c)(4);
 - (2) The percentage of children from *low*, *very low*, or *moderate income* households attending the child care center is equal to or greater than the percentage of those same households required in the residential *development*;
 - (3) The additional *density* bonus or incentive requested is either:
 - (A) An additional *density* bonus in an amount equal to the amount of square feet in the child care center up to a maximum combined *density* increase of 35 percent; or

- (B) An additional incentive that contributes significantly to the economic feasibility of the construction of the child care center; and
- (4) The City finds, based upon substantial evidence, that the community is inadequately served by child care centers.
- (f) Parking: In addition to any other incentive, and upon the request of an *applicant* the City shall apply the following regulations:
 - (1) For a *development* that meets the criteria for moderate income in of Section 143.0720(d), the following vehicular parking ratios inclusive of handicapped and guest parking shall apply:
 - (A) Zero to one bedroom: one onsite parking space
 - (B) Two to three bedrooms: two onsite parking spaces
 - (C) Four and more bedrooms: two and one-half parking spaces
 - (D) Additional reductions of 0.25 spaces per *dwelling unit* shall be granted for *development* that is at least partially within a *transit area* as described in Chapter 13, Article 2, Division 10 (Transit Area Overlay Zone), or that is subject to Chapter 13, Article 2, Division 11 (Urban Village Overlay Zone).
 - (2) For a *development* that meets the criteria of Sections 142.0720(c) or (e), the following vehicular parking ratios inclusive of handicapped and guest parking shall apply:
 - (A) The parking regulations set forth in Section 142.0527 shall apply for *dwelling units* that meet the criteria of Section 142.0527(a)(3). If these parking ratios are greater than the parking ratios set forth in Section 143.0740(f)(1) or 143.0740(f)(4), then the parking ratios in Section 143.0740(f)(1) or 143.0740(f)(4), whichever is lowest, shall apply.
 - (B) The parking requirements for all other *dwelling units* within a *development* that do not meet the requirements of Section 142.0527(a)(3) shall be determined in accordance with Section 143.0740(f)(4).
 - (3) For purposes of this division, a *development* may provide onsite parking through tandem parking or uncovered parking, but not through on-street parking or parking within a required front yard setback.

DRAFT

- (4) Table 143-07D provides parking ratios for a *development* in accordance with the criteria for rental and for-sale affordable housing for *very low income* and *low income* households in Sections 142.0720(c) and 142.0720(d), rental housing for senior citizens in accordance with Section 142.0720(d), and the criteria in Table 143-07D.

Table 143-07D
Parking Reduction for Proximity to Transit

<u>Product</u>	<u>Percent Affordable</u>	<u>Transit Requirement</u>	<u>Parking Ratio for Development¹</u>
For sale or rent <i>development</i> containing market rate and <i>low income</i> and/or <i>very low income</i> dwelling units <ul style="list-style-type: none"> • <u>Very Low Income</u> • <u>Low Income</u> 	11% 20%	Within ½ mile of unobstructed access to a rail station, a ferry terminal served by bus or rail service, or the intersection of two or more bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods, or a major transit stop included in the applicable regional transportation plan	0.5 spaces per bedroom
Rental Housing <ul style="list-style-type: none"> • <u>Low & Very Low Income</u> 	100% ²		0.5 spaces per dwelling unit
Rental housing with an affordable housing cost to lower income senior citizens in accordance with Civil Code Sections 51.3 and 51.12	100% ²	The development shall have either paratransit service, or unobstructed access within one-half mile, to a fixed bus route service that operates at least eight times per day.	0.5 spaces per dwelling unit

Footnotes for Table 143-07D

¹ Parking reductions shall not be subject to the parking regulations of the Transit Overlay Zone and shall not be entitled to parking reductions provided for in Section 142.0550 (Parking Assessment District Calculation Exception).

² Exclusive of manager's unit.

§143.0745 Locating Required Affordable Dwelling Units Off-site

A *development* employing the Affordable Housing Density Bonus Regulations may provide the required affordable *dwelling units* off-site in accordance with the following:

- (a) Off-site affordable *dwelling units* shall be located in the same community planning area and City Council District, or within one mile of the *premises* of the *development* that complies with the requirements of this Division.
- (b) Off-site affordable *dwelling units* not meeting the locational criteria in Section 143.0745(a) maybe approved with a Process Four Planned Development Permit in accordance with Section 126.0604(c).

DRAFT

- (c) Off-site affordable *dwelling units*, at a minimum, shall contain the same number of affordable *dwelling units*, maintain the same affordability levels, and maintain the same bedroom mix as the *development*.
- (d) The *applicant* shall secure and enter into an agreement(s) securing the required number off-site affordable *dwelling units* to the satisfaction of the President and Chief Executive of the San Diego Housing Commission prior to the issuance of first building permit.
- (e) The *applicant*, prior to the issuance of the first building permit, shall record a deed restriction that:
 - (1) Documents the required number of affordable *dwelling units* to be provided, and
 - (2) Assigns foreclosure rights of the *development premises* to the San Diego Housing Commission as follows:
 - (A) For new *development*, if the affordable *dwelling unit(s)* has not received a certificate of occupancy within 54 months, except that extensions of the required time limitations may be granted upon the determinations of findings of good cause made by the President and Chief Executive Officer of the San Diego Housing Commission.
 - (B) For redevelopment of an existing *structure(s)* if the affordable *dwelling unit(s)* has not received a certificate of occupancy within 36 months, except that extensions of the required time limitations may be granted upon the determinations of findings of good cause made by the President and Chief Executive Officer of the San Diego Housing Commission.

§143.0750 Deviation to Allow for Additional Development Incentive

An applicant may request a deviation from the applicable development regulations as an additional development incentive for affordable housing pursuant to a Site Development Permit decided in accordance with Process Four provided that the *findings* in Section 126.0504(a) and the supplemental *findings* in Section 126.0504(1) are made.

§151.0201 Processing of Planned District Permits

Planned district permits will be processed in accordance with the Land Development Code as follows:

- (a) and (b) [No change in text.]
- (c) Where a planned district requires a discretionary planned district permit that is identified as a Process Three, Process Four, or Process Five

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decision, an applicant shall apply for a Site Development Permit in accordance with Land Development Code Chapter 12, Article 6, Division 1 (General Development Permit Procedures) and Division 5 (Site Development Permit Procedures), except that a *capital improvement program project*, as defined in Section 113.0103, shall be processed in accordance with Process CIP-Five. The findings required for approval will be the general findings for Site Development Permits in Land Development Code Section 126.0504(a), any applicable supplemental findings in Section 126.0504, and any additional findings provided in the planned district.

(d) A development consistent with Chapter 14, Article 3 Division 7 (Affordable Housing Density Bonus Regulations) located in a planned district that requires a Process Three planned district permit shall be processed in accordance with Process Two Neighborhood Development Permit. The findings required for approval will be the general findings for Site Development Permits in Land Development Code Section 126.0504(a), any applicable supplemental findings in Section 126.0504, and any additional findings provided in the planned district.

(de) Where Section 151.0401 requires a Neighborhood Use Permit, an applicant shall apply for a Neighborhood Use Permit in accordance with Land Development Code Chapter 12, Article 6, Division 1 (General Development Permit Procedures) and Division 2 (Neighborhood Use Permit Procedures). The findings required for approval will be the general findings for Neighborhood Use Permits in Land Development Code section 126.0205 and any additional findings provided in the planned district.

(ef) Where Section 151.0401 or the planned district requires a Conditional Use Permit, an applicant shall apply for a Conditional Use Permit in accordance with Land Development Code Chapter 12, Article 6, Division 1 (General Development Permit Procedures) and Division 3 (Conditional Use Permit Procedures). The findings required for approval will be the general findings for Conditional Use Permits in Land Development Code Section 126.0305 and any additional findings provided in the planned district.

§156.0309 FAR Regulations and TDRs

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

(e) *FAR Bonuses*
Development may exceed the maximum *base FAR* for the site established by Figure H if the *applicant* provides certain public benefits or *development* amenities. Table 156-0309-A shows the maximum amount of *FAR bonus* that may be earned by providing benefits or amenities, and Figure J shows the maximum *FAR bonus* that may be purchased for a site

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through the *FAR* Payment Bonus Program (exclusive of bonuses for affordable housing as described in Section 156.0309(e)(1)). *Applicants* utilizing the *FAR bonus* program shall have *CC&Rs* recorded on the property, ensuring that the benefits or amenities provided to earn the bonus are maintained in perpetuity, or in the case of affordable housing, for the duration specified in Section 156.0309(e)(1)(B)(iv).

The public benefits and *development* amenities that may earn a *FAR bonus* are the following:

- (1) Affordable Housing. An *applicant* proposing a residential *development* that is entitled to a *density* bonus pursuant to Chapter 14, Article 3, Division 7 of the Land Development Code may increase the permitted *FAR* as specified below.

In compliance with the State Density Bonus Law (California Government Code Sections 65915 through 65918), *applicants* may earn *FAR bonus* subject to the following:

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

(i) through (vi) [No change in text.]

Table 156-0309-B: FAR BONUSES (%)			
% Restricted Units in Base (Pre-Bonus) FAR	Very Low-Income Rental & For-Sale (0-50% AMI) (Restricted for at least 55 years)	Low-Income Rental & For-Sale (51% - 80% AMI) (Restricted for at least 55 years)	Moderate For-Sale (81% - 120% AMI) (Restricted for at least 55 years)
5	22	10	10
6	24	15	15
7	26	20	20
8	29	25	25
9	32	30	30
10 or more	35	35	35

(2) through (8) [No change in text.]

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



AB - 744 Areas

CITY OF SAN DIEGO • PLANNING DEPARTMENT



Legend

- | | | |
|--------------------|-------------------------|------------------------|
| • Trolley Stations | — High Frequency Routes | ■ AB - 744 Areas |
| ● Coaster Station | — Trolley Lines | □ Planning Areas |
| | — Coaster Line | □ Municipal Boundaries |



SanGIS

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