



THE CITY OF SAN DIEGO

Report to the Planning Commission

DATE ISSUED: March 3, 2022 REPORT NO. PC-22-007

HEARING DATE: March 10, 2022

SUBJECT: Housing Action Package Accessory Dwelling Unit Bonus Program Amendment
Municipal Code and Local Coastal Program Amendments
Process 5

REFERENCE: [Report No. PC-21-057](#)

SUMMARY

Issue: Should the Planning Commission recommend City Council approval of the Housing Action Package Accessory Dwelling Unit Bonus Program Amendment which would amend the San Diego Municipal Code and the Local Coastal Program to lessen the deeded restriction for very low- and low-income deed restricted units from 15 years to 10 years?

Staff Recommendation: Recommend the City Council approve the proposed Housing Action Package Accessory Dwelling Unit Bonus Program Amendment to lessen the deeded restriction for very low- and low-income deed restricted units from 15 years to 10 years.

Environmental Review: The Environmental Policy Section of the Planning Department has reviewed the Housing Action Package Accessory Dwelling Unit (ADU) Bonus Program Amendment and conducted a consistency evaluation pursuant to CEQA Guidelines Section 15162. Implementation of this project's actions would not result in new significant direct, indirect, or cumulative impacts over and above those disclosed in the following certified environmental documents:

1. Final Environmental Impact Report (EIR) for the Land Development Code (DEP No. 96-033/SCH No. 1996081056) certified by the San Diego City Council on November 18, 1997 (Resolution R-289458);
2. Final Program EIR (PEIR) for the General Plan (Project No. 104495/SCH No. 2006091032) certified by the San Diego City Council on March 10, 2008 (Resolution R-313099); and
3. Addendum to the General Plan PEIR for the Housing Element Update (SCH No. 2006091032) certified by the San Diego City Council on June 18, 2020 (Resolution R-313099).

Pursuant to CEQA Section 21166 and CEQA Guidelines Section 15162 there is no change in circumstance, additional information, or project changes to warrant additional environmental review.

Fiscal Impact Statement: None.

Code Enforcement Impact: None.

Housing Impact Statement: The proposed amendments would apply citywide and would lessen the deed restriction from 15 years to 10 years for very low- and low-income units utilizing the ADU Bonus for Affordable ADUs Program (ADU Bonus Program). The ADU Bonus Program moderate-income deed restriction of 15 years will remain unchanged.

BACKGROUND

The City of San Diego adopted Accessory Dwelling Unit (ADU) and Junior Accessory Dwelling Unit (JADU) regulations (San Diego Municipal Code (SDMC) Section 141.0302) in 2018, amended the regulations in 2019 and further updated the regulations in 2020 as part of the Housing Legislation Code Update Package. The ADU regulations are intended to allow for the development of ADUs throughout the City in a streamlined and cost-efficient manner and to ensure compliance with State law.

On February 8, 2022, the City Council adopted the Homes for All of Us Housing Action Package which included refinements to the existing Accessory Dwelling Unit (ADU) regulations to align with the proposed Senate Bill 9 regulations as well as address other community concerns related to the existing regulations. The amendments to the ADU and JADU regulations included new setback requirements to address privacy, landscape and street tree requirements to address tree canopy, and Development Impact Fee (DIF) requirements to address supportive infrastructure. The amendments also included items to provide greater clarification for those implementing the regulations. The existing ADU Bonus Program that allows for a bonus ADU for every very low-, low-, or moderate- income deed restricted ADU was not amended at the February 8, 2022 hearing.

This item, the Housing Action Package ADU Bonus Program Amendment is the result of a request made at the City Council Hearing, on February 8, 2022, to modify the ADU Bonus Program regulations that relate to low- and very low- income units utilizing the bonus program. The requested modification would change the deed restriction requirement for units reserved for very low- and low- income households to a period of not less than 10 years. Moderate-income units will not be changed as a result of this action. The Mayor agreed to bring this action to the City Council at a subsequent meeting.

DISCUSSION

The City's current ADU Bonus Program was created in response to AB 671, which requires the City to incentivize the creation of accessory dwelling units that can be offered at affordable rent to very low-, low-, or moderate-income households, with very limited direction or parameters as to how that should be accomplished. In 2020, the City of San Diego adopted its ADU Bonus Program and submitted it to the California Department of Housing and Community Development (HCD) for review. HCD determined the City's ADU Bonus Program met the requirements of AB 671. The City's ADU Bonus Program currently allows one affordable ADU deed-restricted to very low-, low-, or moderate-income households for 15 years, for each unrestricted ADU.

The proposed amendment would reduce time restriction from 15 years to 10 years for low- and very low-income ADUs. It would still retain the 15-year restriction for moderate- income ADUs. A bonus unit would be allowed for every restricted unit provided.

CONCLUSION

The proposed amendment would provide a greater incentive to deliver very low- and low- income ADU units in addition to maintaining the current incentive for moderate- income ADUs ; therefore, staff recommends approval of the proposed Housing Action Package ADU Bonus Program Amendment.

Respectfully submitted,

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TG/SL/MG

Attachments:

1. Draft Ordinance Language