

San Diego Regional Chamber of Commerce

March 23, 2006

Housing Policy Recommendations for the City of San Diego:

1. Extend Notice of Funding Availability (NOFA) process and expedite the approval process of such funding. City of San Diego (City) should raise additional money and increase the amount for affordable housing projects. The City's Redevelopment Agency should present a report to the Land Use & Housing Committee on extending the NOFA program.
2. The City should require its Redevelopment Agency to increase the number of rent regulated subsidized/efficiency units (Single Room Occupancy, SRO Hotels) that are regulated for very low-income individuals.
 - Increase the inventory of market rate workforce housing in The City of San Diego, in part, by restoring the path of economic viability for development of new SRO Hotels:
 - Develop a market rate SRO model distinct from Efficiency Units and Living Units, Expand the zones along transportation corridors outside of downtown where SRO Hotels can be built by-right, (including within the coastal zone),
 - Establish parking requirements for SRO Hotels commensurate with the demonstrated demand, (0.0 to .10 per unit),
 - Rescind replacement "1 to 1" requirements, require the Redevelopment Agency to relocate displaced tenants within a project area, irrespective of whether the property was acquired by eminent domain,
 - Remove inclusionary requirements.
3. The City should direct its Real Estate Assets Department to conduct an analysis report to evaluate all publicly owned parcels for potential use for affordable or workforce housing projects, such as military or teacher housing.
4. The City should adopt a new Density Bonus ordinance that provides better incentives to developers, encouraging them to build projects meeting inclusionary housing requirements. The City should motivate its Planning Department to immediately adopt and implement a new citywide Density Bonus to compliment or surpass the State's Density Bonus law. The City should meet or exceed bonus minimums mandated by Senate Bill 1818. This ordinance should include more incentives encouraging developers to use density bonuses and should expand such bonuses to include moderate-income projects. The new ordinance should be easy for developers to comprehend, quantify value, exclude the use of tax credits, and replace affordable units equal to or greater than the existing number.
5. **(COMPLETED)** - The City should implement the Affordable Housing Task Force (AHTF) recommendation to establish a "Housing Director or Advocate" position and immediately begin identifying possible funding sources to pay for the costs associated with this position.

Chamber recommends that the Mayor select the advocate or director and have the position be a part of the Mayor's staff. The director should be a recognized and reputable member of the industry or former City official familiar with the full range of issues that affects the City's ability to build housing of all types (multifamily, workforce, affordable, inclusionary, market rate housing, etc.). The position should have adequate authority and independence to direct/guide the City to meet its housing needs and promote/educate the public on the importance of housing in the region.

6. Ease, not restrict, parking requirements for developers. City's action to repeal the 2001 amendments for Transit Area Overlay Zones (TAOZ) & Residential Tandem Parking Overlay Zones (RTPOZ) hinders a developer's ability to produce affordable housing.

Chamber recommends that the City ease parking requirements for projects and develop a definition for transit and infrastructure standards. Ease such requirements for projects that are built in transit corridors. Offer incentives to developers who encourage use of mass transit, and give priority to employees that work in the area.

7. The City should pursue the maximum amount of funding created by Proposition 46 that is available for use locally. Larger and more significant incentives are needed in today's market to encourage the creation of appropriately priced housing stock.

Chamber still recommends that the City continue to support San Diego Housing Commission (SDHC) down payment assistance and shared equity loan programs for first time homebuyers. The City should support efforts to create a permanent source of funding for housing programs under Proposition 46, and that the state issue block grants to the cities so they have the flexibility to apply the money in areas most needed.

8. The City should be commended for creating the Affordable Housing Expedite Program (AHEP). However, the City should provide additional funds and personnel to expand the Program. In spite of Development Services Department's (DSD) agreement to increase fees, it has not expanded the program.

Currently, DSD can only process a limited number of applications due to resource and personnel constraints while other pending applications are backlogged. While we understand that DSD is trying to process these applications as quickly as possible and that it is making the necessary changes to handle the increased workload of processing new applications, we feel the City could do more to ensure that all incoming applications are processed in the order they are received without delay.

Chamber also recommends that the DSD allow developers to "spot check" or contract services to private inspectors to expedite processing in addition to going through the process of hiring and training more employees.

9. The City should create a detailed financing needs plan for creation of an infrastructure bond in order to finance critical infrastructure projects to facilitate additional housing. Chamber recommends that the City model its future infrastructure bond after Proposition MM, which had been successful.

10. The City should endorse or support defiscalization of land use. Or, the City should enter into regional partnerships or coalitions with other municipalities to influence or lobby the state government to enact meaningful land use policies enabling it to keep more of its local revenues.
11. The City needs to revise its existing ordinance allowing the production of more companion units similar to the City of Santa Cruz's granny flat ordinance by removing the lot size impediments and allowing for ministerial review of such permits.
12. The City should implement regulatory reforms or streamline regulatory processes to reduce processing times for all residential projects. The City should establish "Time Certain" guidelines. If a project exceeds permit processing times, the project should go to City Council for discretionary review. The city should direct staff to study the feasibility of creating a Self Certification Program for specific types of residential development.
13. The City should create one or multiple 501c(3) redevelopment corporations, similar to the Centre City Development Corporation. The redevelopment corporation(s) would oversee the sixteen-redevelopment districts around San Diego. The City Council would appoint the corporation's board members; members would be private individuals with no formal affiliation to the City.
14. The City should identify all departments and agencies that deal with housing issues and establish quantifiable performance measures. These entities should be required to provide annual progress reports to the City Council.
15. The City should establish a program to update community plans on a regular basis. The program should (a) establish a prioritized schedule for updates, based upon appropriate criteria consistent with these recommendations and with the goal of updating at least two plans every calendar year, and (b) provide for the expeditious processing of plan updates to minimize costs, delays and uncertainty. The City should identify and establish a funding mechanism for the program, which causes development within communities to support the updates so that existing City funds are not diverted, and the program is not supported by new general or special taxes.