7/28/2020 (0-2020-9) 5 3

ORDINANCE NUMBER O- 21222 (NEW SERIES)

DATE OF FINAL PASSAGE JUL 3 0 2020

AN ORDINANCE AMENDING CHAPTER 14, ARTICLE 3, DIVISION 7 OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTIONS 143.0717, 143.0720, 143.0740, AND 143.0744 RELATING TO MODERATE INCOME HOUSING REGULATIONS.

WHEREAS, the Mayor of the City of San Diego has developed a series of strategies and initiatives that will help increase the housing production in the City known as "Housing-SD"; and

WHEREAS, Housing-SD includes multiple regulatory reforms that are intended to improve housing affordability, improve review processes, facilitate more affordable housing, and support the Climate Action Plan including the Moderate Income Housing Regulations; and

WHEREAS, the intent of the Moderate Income Housing Regulations is to attract the segment of the development community that has not taken advantage of the Affordable Housing Regulations, but may be inclined to include moderate income housing in their projects; and

WHEREAS, these regulations augment, and do not detract from participation in the Affordable Housing Regulations; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. That Chapter 14, Article 3, Division 7 of the San Diego Municipal Code is amended by amending sections 143.0717, 143.0720, 143.0740, and 143.0744, to read as follows:

8143.0717 Required Replacement of Affordable Units

## (a) An applicant is ineligible for a density bonus or any

(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 rent restricted by law or covenant to persons and families of low income, very low income, or moderate income, or have been occupied by persons and families of low income, very low income, or moderate income, unless the proposed development replaces the affordable dwelling units, and either:

- (1) [No change in text.]
- (2) Provides all of the dwelling units as affordable to low income, very low income, or moderate income households, excluding any manager's unit(s).
- (b) The number and type of required replacement dwelling units shall be determined as follows:
  - (1) [No change in text.]

**(2)** 

If all of the dwelling units are vacant or have been demolished within the five years preceding the application, the development must contain at least the same number of replacement dwelling units, of equivalent size and bedrooms, as existed at the highpoint of those units in the five year period preceding the application, and must be made affordable to and occupied by persons and families in the same or a lower income category as those in occupancy at that same time. If the income categories are unknown for the highpoint, it is rebuttably presumed that the dwelling units were occupied by very low income, low income, or moderate income renter households in the same proportion of very low income, low income, or moderate income

households within the City of San Diego, as determined by the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database, and replacement dwelling units shall be provided in that same percentage.

(3) through (5) [No change in text.]

#### §143.0720 Density Bonus in Exchange for Affordable Housing Units

- (a) through (b) [No change in text.]
- (c) A rental affordable housing *density* bonus agreement shall utilize the following qualifying criteria:
  - (1) through (4) [No change in text.]
  - (5) Moderate income At least 10 percent of the pre-density bonus dwelling units in the development shall be affordable to and occupied by moderate income households.
- (d) through (h) [No change in text.]
- (i) A development proposal requesting an affordable housing density bonus is subject to the following:
  - (1) [No change in text.]
  - households in Section 143.0720(c)(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 75 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).
- 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 75 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).
- households in Section 143.0720(c) and (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 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).
- (5) through (10) [No change in text.]

#### §143.0740 Incentives in Exchange for Affordable Housing Dwelling Units

An applicant proposing density bonus shall be entitled to incentives as described in this Division for any 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 City shall process an incentive requested by an applicant as set forth in this Section.

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

Table 143-07A
Very Low Income Density Bonus
Households

Percent Very Low Income Units	Percent  Density Bonus	Number of Incentives
5	20	1
6	22.5	1
7	25	1
8	27.5	1
9	30	1
10	32.5	2
11	35	2
12	38.75	3
13	42.5	4
14	46.25	4
≥ 15	50 <sup>1</sup>	5

<sup>&</sup>lt;sup>1</sup> Once this maximum is reached, an additional 25 percent *density* bonus is allowed if an additional 10 percent of the pre-*density* bonus units are restricted in accordance with the provisions of this Division for households earning less than or equal to 120 percent of the area median income, as adjusted for household size, and the *development* is within a *transit priority area*.

Table 143-07B Low Income Density Bonus Households

Percent	Percent	Number of Incentives
Low Income Units	Density Bonus	Number of incentives
10	20	1
11	21.5	1
12	23	1
13	24.5	1
14	26	1
15	27.5	1
16	29	1
17	30.5	1
18	32	1
19	33.5	1
20	35	2
21	38.75	2
22	42.5	2
23	46.25	2
≥ 24 - 29	50 <sup>1</sup>	2
≥ 30	50 <sup>1</sup>	3
31 - 32	50¹	4
≥ 33	50¹	5

<sup>&</sup>lt;sup>1</sup> Once this maximum is reached, an additional 25 percent *density* bonus is allowed if an additional 10 percent of the pre-*density* bonus units are restricted in accordance with the provisions of this Division for households earning less than or equal to 120 percent of the area median income, as adjusted for household size, and the *development* is within a *transit priority area*.

# Table 143-07C Moderate Income Density Bonus Households

[No change in text.]

#### §143.0744 Parking Ratios for Affordable Housing

Upon the request of an *applicant* for a *development* meeting the criteria in Sections 143.0720(c), 143.0720(d), 143.0720(e), 143.0720(f), or 143.0720(h), the vehicular parking ratios in Table 143-07D, as may be applicable, or those set forth in Chapter 14, Article 2, Division 5, inclusive of disabled and guest parking, whichever is lower, shall apply. 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*.

Table 143-07D
Parking Reduction for Proximity to Transit

Type of Development	Percent Affordable	Transit Requirement <sup>3</sup>	Parking Ratio for Development 1
Rental or for-sale development containing market rate and low income, very low income and/or moderate income dwelling units • Very low income • Low income • Moderate income	11% 20% 10%	The development is located within a transit priority area	0.5 spaces per bedroom
Rental housing  • Low, very low and moderate income	100%²		0.5 spaces per dwelling unit
Rental housing with an affordable housing cost to lower income senior citizens in accordance with California Civil Code Sections 51.3 and 51.12	100%²	The development shall have either paratransit service, or be located within ½ mile of unobstructed access 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

Section 2. That a full reading of this Ordinance is dispensed with prior to passage, a written copy having been made available to the Council and the public prior to the day of its passage.

Section 3. That prior to becoming effective, this Ordinance shall be submitted to the San Diego County Regional Airport Authority (SDCRAA) for a consistency determination.

<sup>1</sup> through 2 [No change in text.]

<sup>&</sup>lt;sup>3</sup> Section 142.0528 applies to development within the Parking Standards Transit Priority Area.

That if the SDCRAA finds this Ordinance consistent with the Airport Land Use

Compatibility Plans (ALUCP) for San Diego International Airport, Marine Corps Air Station

Miramar, Gillespie Field, Montgomery Field, and Brown Field Airports (collectively, Airports),
this Ordinance shall take effect and be in force on the thirtieth day from and after the finding of
consistency, or on the thirtieth day from and after its final passage, whichever is later, except that
the provisions of this Ordinance inside the Coastal Overlay Zone, which are subject to California
Coastal Commission jurisdiction as a City of San Diego Local Coastal Program amendment,
shall not take effect until the date the California Coastal Commission unconditionally certifies
those provisions as a local coastal program amendment.

That if the SDCRAA determines that this Ordinance is inconsistent or conditionally consistent, subject to proposed modifications, with the ALUCPs for the Airports, the Ordinance shall be submitted to the City Council for reconsideration.

That if the SDCRAA determines that this Ordinance is conditionally consistent with the ALUCPs for the Airports, but that consistency is subject to proposed modifications, the City Council may amend this Ordinance to accept the proposed modifications, and this Ordinance as amended shall take effect and be in force on the thirtieth day from and after its final passage, except that the provisions of this Ordinance as amended inside the Coastal Overlay Zone, which are subject to California Coastal Commission jurisdiction as a City of San Diego Local Coastal Program amendment, shall not take effect until the date the California Coastal Commission unconditionally certifies those provisions as a local coastal program amendment.

That a proposed decision by the City Council to overrule a determination of inconsistency or to reject the proposed modifications for a finding of conditional consistency shall include the findings required pursuant to Public Utilities Code section 21670 and require a two-thirds vote. The proposed decision and findings shall be forwarded to the SDCRAA, the

(O-2020-9)

California Department of Transportation, Division of Aeronautics, and the airport operators for

the Airports. The City Council shall hold a second hearing not less than 45 days from the date

the proposed decision and findings were provided, at which hearing any comments submitted by

the public agencies shall be considered and a final decision to overrule a determination of

inconsistency shall require a two-thirds vote.

That if the City Council makes a final decision to overrule a determination of

inconsistency, this Ordinance shall take effect and be in force on the thirtieth day from and after

that final decision, except that the provisions of this Ordinance inside the Coastal Overlay Zone,

which are subject to California Coastal Commission jurisdiction as a City of San Diego Local

Coastal Program amendment, shall not take effect until the date the California Coastal

Commission unconditionally certifies those provisions as a local coastal program amendment.

Section 4. That no permits shall be issued for development that is inconsistent with the

provisions of this Ordinance unless complete applications for such permits are submitted to the

City prior to the date on which the applicable provisions of this Ordinance become effective.

Section 5. That Ordinances O-2020-1, O-2020-2, and O-2020-5 have been recently

considered by the City Council which amend a San Diego Municipal Code section also amended

by this Ordinance. Therefore, the City Clerk, with the written approval and concurrence of the

City Attorney, is authorized to reconcile the numbering of that section and placement of text

within this section upon the final passage of the Ordinances, without further action by the City

Council, pursuant to San Diego Charter section 275.

APPROVED: MARA W. ELLIOTT, City Attorney

By /s/ Corrine L. Neuffer

Corrine L. Neuffer

Deputy City Attorney

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(Note: The date of final passage is July 30, 2020, which represents the day this ordinance was returned to the Office of the City Clerk with the Mayor's signature of approval.)

#### STRIKEOUT ORDINANCE

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**NEW LANGUAGE: <u>Double Underline</u>** 

ORDINANCE NUMBER O	(NEW SERIES)
DATE OF FINAL PASSAGE	

AN ORDINANCE AMENDING CHAPTER 14, ARTICLE 3, DIVISION 7 OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTIONS 143.0717, 143.0720, 143.0740, AND 143.0744 RELATING TO MODERATE INCOME HOUSING REGULATIONS.

### §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 rent restricted by law or covenant to persons and

  families of low income, or moderate income, or have

  been occupied by persons and families of low income, or wery low income,

  or moderate income, unless the proposed development replaces the

  affordable dwelling units, and either:
  - (1) [No change in text.]
  - (2) Provides all of the *dwelling units* as affordable to *low income*, or *very low income*, or *moderate income* households, excluding any manager's unit(s).
- (b) The number and type of required replacement dwelling units shall be determined as follows:
  - (1) [No change in text.]

- If all of the dwelling units are vacant or have been demolished within the five years preceding the application, the development must contain at least the same number of replacement dwelling units, of equivalent size and bedrooms, as existed at the highpoint of those units in the five year period preceding the application, and must be made affordable to and occupied by persons and families in the same or a lower income category as those in occupancy at that same time. If the income categories are unknown for the highpoint, it is rebuttably presumed that the dwelling units were occupied by very low income, and low income, or moderate income renter households in the same proportion of very low income, and low income, or moderate income renter households to all renter households within the City of San Diego, as determined by the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database, and replacement dwelling units shall be provided in that same percentage.
- (3) through (5) [No change in text.]

### §143.0720 Density Bonus in Exchange for Affordable Housing Units

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

**(2)** 

- (c) A rental affordable housing *density* bonus agreement shall utilize the following qualifying criteria:
  - (1) through (4) [No change in text.]

- (5) Moderate income At least 10 percent of the pre-density bonus

  dwelling units in the development shall be affordable to and
  occupied by moderate income households.
- (d) through (h) [No change in text.]
- (i) A development proposal requesting an affordable housing density bonus is subject to the following:
  - (1) [No change in text.]
  - households in Section 143.0720(c)(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 50 75 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).
  - (3) For development meeting the criteria for low income households 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 50 75 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).
- households in Section 143.0720(c) and (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 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).
- (5) through (10) [No change in text.]

### §143.0740 Incentives in Exchange for Affordable Housing Dwelling Units

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

An applicant proposing density bonus shall be entitled to incentives as described in this Division for any 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 City shall process an incentive requested by an applicant as set forth in this Section.

# Table 143-07A Very Low Income Density Bonus Households

Percent Very Low Income Units	Percent  Density Bonus	Number of Incentives
5	20	1
6	22.5	1
7	25	1
8	27.5	1
9	30	1
10	32.5	2
11	35	2
12	38.75	3
13	42.5	4
14	46.25	4
≥ 15	50 <u>1</u>	5

Once this maximum is reached, an additional 25 percent density bonus is allowed if an additional 10 percent of the pre-density bonus units are restricted in accordance with the provisions of this Division for households earning less than or equal to 120 percent of the area median income, as adjusted for household size, and the development is within a transit priority area.

Table 143-07B Low Income Density Bonus Households

Percent Low Income Units	Percent  Density Bonus	Number of Incentives
10	20	1
11	21.5	1
12	23	1
13	24.5	1
14	26	1
15	27.5	1
16	29	1
17	30.5	1
18	32	1
19	33.5	1
20	35	2
21	38.75	2
22	42.5	2
23	46.25	2
≥ 24 - 29	50 <u>1</u>	2

Percent  Low Income Units	Percent  Density Bonus	Number of Incentives
≥ 30	50 <u>1</u>	3
31 - 32	50 <u>1</u>	4
≥ 33	50 <u>1</u>	5

<sup>&</sup>lt;sup>1</sup> Once this maximum is reached, an additional 25 percent density bonus is allowed if an additional 10 percent of the pre-density bonus units are restricted in accordance with the provisions of this Division for households earning less than or equal to 120 percent of the area median income, as adjusted for household size, and the development is within a transit priority area.

# Table 143-07C Moderate Income Density Bonus Households

[No change in text.]

#### §143.0744 Parking Ratios for Affordable Housing

Upon the request of an *applicant* for a *development* meeting the criteria in Sections 143.0720(c), 143.0720(d), 143.0720(e), 143.0720(f), or 143.0720(h), the vehicular parking ratios in Table 143-07D, as may be applicable, or those set forth in Chapter 14, Article 2, Division 5, inclusive of disabled and guest parking, whichever is lower, shall apply, the City shall apply the following regulations:

- (a) For a development that meets the criteria for moderate income households in Section 143.0720(d)(3), the vehicular parking ratios set forth below shall apply, inclusive of disabled and guest parking:
  - (1) Zero to one bedroom: one onsite parking space.
  - (2) Two to three bedrooms: two onsite parking spaces.
  - (3) Four and more bedrooms: two and one-half parking spaces.
  - (4) 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).

- (b) For a development that meets the criteria for very low and low income rental dwelling units in Section 143.0720(e) or senior housing in Section 143.0720(e), the vehicular parking ratios in Table 143-07D, as may be applicable, or those set forth in Section 142.0527(a)(3), inclusive of disabled and guest parking, whichever is lower, shall apply.
- 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*.
- (d) Parking reductions for a development providing rental and for-sale affordable housing for very low income and low income households in accordance with Sections 143.0720(e) and 143.0720(d), rental housing for senior citizens in accordance with Section 143.0720(e), or housing for transitional foster youth, disabled veterans, or homeless persons in accordance with Section 143.0720(f), that meet transit proximity requirements are set forth in Table 143.07D.

Table 143-07D
Parking Reduction for Proximity to Transit

Type of Development	Percent Affordable	Transit Requirement <sup>3</sup>	Parking Ratio for Development <sup>1</sup>
Rental or for-sale development containing market rate and low income, and/or very low income and/or moderate income dwelling units  • Very low income • Low income • Moderate income  Rental housing • Low, & very low and moderate income	11% 20% 10%	The development is located within a Ftransit Ppriority Agrea	0.5 spaces per bedroom  0.5 spaces per dwelling unit
Rental housing with an affordable housing cost to lower income senior citizens in accordance with California Civil Code Sections 51.3 and 51.12	100%²	The development shall have either paratransit service, or be located within ½ mile of unobstructed access 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

CLN:als 07/17/2019

Or.Dept: Planning Dept. Doc. No.: 2034949\_2

<sup>&</sup>lt;sup>1</sup> through <sup>2</sup> [No change in text.]

<sup>&</sup>lt;sup>3</sup> Section 142.0528 applies to development within the Parking Standards Transit Priority Area.

Passed by the Council of The City	y of San Die	go on <u> </u>	JL 28 2020	_, by the following vote:
Councilmembers	Yeas	Nays	Not Present	Recused
Barbara Bry				
Jennifer Campbell				
Chris Ward	$\square$			
Monica Montgomery	$\square$			
Mark Kersey	$\square$			
Chris Cate				
Scott Sherman				
Vivian Moreno				
Georgette Gómez				
Date of final passage	0 2020	·		
			KEVIN L. FAL	JLCONER
AUTHENTICATED BY:		Mayo	r of The City of S	an Diego, California.
			ELIZABETH S	. MALAND
(Seal)		City Cle		San Diego, California.
		ву	nnie Patt	Deputy
I HEREBY CERTIFY that the days had elapsed between the d				
<u> </u>	, a	and on	JUL 3 0 2020	•
I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.				
(Seal)		City Cle	ELIZABETH S ork of The City of	San Diego, California.
		By <u>( '(†)</u>	me Pat	Leso, Deputy
		Office of the	City Clerk, San D	Diego, California