

San Diego Regional Chamber of Commerce

January 25, 2007

2007 Chamber Housing Action Plan:

- 1) Extend and support NOFA Funding.
Extend Notice of Funding Availability (NOFA) process and expedite the approval process of such funding. The City of San Diego should continue to raise additional money (either through lines of credit or bonds) and increase the amount for affordable rental and for-sale housing projects. The city should convene a stakeholder group to review the experience to date of the collaborative process and underwriting criteria to determine how greater effectiveness and efficiency can be achieved. The City's Redevelopment Agency should immediately present an implementation plan to the Land Use & Housing Committee on extending the NOFA program.
- 2) Single Room Occupancy Hotels
The city should update its existing SRO ordinance and should establish an incentives program that would support and require the City and its Redevelopment Agency to increase the number of rent regulated subsidized/efficiency units (Single Room Occupancy, SRO Hotels) that are created for very low-income individuals. Policies need to be implemented to increase the inventory of market rate workforce housing by restoring the economic viability for development of new SRO Hotels.
- 3) Publicly-Owned Land
The city should direct its Real Estate Assets Department to conduct an analysis to evaluate and list all publicly owned parcels for potential use for the construction, exchange, and financing of affordable or workforce housing projects. The department should have the report available by March 1, 2007.
- 4) Density Bonus
The city should adopt a new Density Bonus ordinance that provides increased incentives to residential builders encouraging them to build projects meeting the inclusionary housing requirements. In addition, the city council should immediately adopt and implement a new citywide Density Bonus to compliment or surpass the state's density bonus law. The city should exceed bonus minimums, as allowed, by Senate Bill 1818. This ordinance should include additional incentives encouraging residential builders to use density bonuses and to include moderate-income projects.
- 5) Appointment of Housing Director
The city should implement the Affordable Housing Task Force (AHTF) recommendation to establish a "Housing Director or Advocate" position and immediately begin identifying possible "enterprise" funding sources to pay for the costs associated with this position.

The Chamber recommends that the Mayor select the advocate or director and have the position be a part of the Mayor's staff. The director or advocate should be a recognized and reputable member of the industry or a 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) Parking Requirements

The city should ease, not restrict, parking requirements for new residential projects and communities; and repeal the 2001 amendments for Transit Area Overlay Zones (TAOZ) and Residential Tandem Parking Overlay Zones (RTPOZ). The Chamber recommends that the city ease parking requirements for new transit related projects and develop a definition for transit-oriented developments. The city should offer incentives to residential and mixed-use builders who encourage use of mass transit, and give priority to employees that work in the area. In addition, the city should allow new projects to have tandem parking by right. Parking standards should be lowered for seniors, moderate, low, and very-low income projects.

7) Subsidies for Housing

The city should pursue the maximum amount of funding for the variety of housing types and related infrastructure created by Proposition 1C that is available for allocation to urban cities. Larger and more significant incentives are needed in today's market to encourage the creation of appropriately priced housing stock.

The Chamber recommends that the city continue to support the 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 funding source for housing programs under Proposition 1C. In addition, it is recommended that the state issue block grants to the cities so they have the flexibility to apply the money in areas where the greatest needs exist.

8) Affordable Housing Expedite Program

The city should be commended for creating the Affordable Housing Expedite Program (AHEP). The city should provide additional "enterprise-funded" personnel to expand the Program. Affordable Housing should be given a priority over "environmental" projects.

9) Companion Units

The city should modify all existing regulations to allow companion units for new residential single-family construction. Companion units will provide an additional source of housing for younger citizens and seniors.

10) Reduce Regulatory Barriers & Self Certification

The city should direct its Planning Department and Development Services Department (DSD) to implement regulatory reforms or streamline regulatory processes to reduce processing times for all residential projects. The city should establish "time certain" guidelines and adopt a "self-certification" program for specific types of residential development. The 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.

The Mayor, acting in the Strong Mayor form of government, is encouraged to update the processes practiced by the Planning, Development Services, and Redevelopment Departments. The areas of concern are the calculations, and assessment timing of processing fees; time allotted to Community Planning groups; and communications between applicants and staff members.

- 11) Live-work Residential Units:
The city should implement regulations that promote the use of “live-work” residential units that allow a wide range of professional, retail, and neighbor convenience services. The implementation of this type of residential mixed-use units would increase the walkability in communities and reduce the dependence of residents on the automobile.
- 12) Defiscalization of Land Use
The city should endorse or support the defiscalization of land use. The city also should enter into regional partnerships or coalitions with other municipalities to influence or lobby the state government to approve legislation that would remove fiscal disincentives to zone for housing.
- 13) Redevelopment Agencies
The City of San Diego should create a new redevelopment authority similar to its Housing Commission. The authority would oversee all of the city’s seventeen-redevelopment areas, excluding CCDC and SEDC. The city council would appoint the authority’s board members; these members would be private individuals with no formal affiliation to the city. The funding for redevelopment areas should be centrally allocated.
- 14) Performance Measures
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) Update Community Plans
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 updates should not reduce existing densities, and should include increased densities where adequate infrastructure exists, and the increase would be consistent with smart-growth principles. The revised plan should conform to the “City of Villages” concept.
- 16) Partnership with Jurisdictions
The Chamber should work with the City of San Diego to bring together other municipalities and the County to expand the supply of affordable housing within the entire County.
- 17) Infrastructure Bond
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. The Chamber recommends that the city model its future infrastructure bond after Proposition MM, which has been successful. The city should continue to work with property owners in establishing community facilities districts and/or infrastructure improvement districts to help finance infrastructure improvements in neighborhoods with deficient infrastructure.