

### **CITY OF SAN DIEGO DENSITY BONUS UPDATES**

**POSITION:** The Chamber's Board of Directors voted to SUPPORT the update on February 25, 2016.

**STATUS:** It is anticipated to go to the City of San Diego Planning Commission in March 2016.

#### **AT-A-GLANCE**

Included as a recommendation in the 2015 Chamber Housing Action Plan, increasing the density bonus allows developers to increase the number of units being developed on a given parcel if additional subsidized units are developed. This specific proposal City staff is suggesting, with the support of the Building Industry Association, Circulate San Diego, Climate Action Campaign, and the Housing Federation, would increase the number of units allowable by 50 percent instead of the state-required minimum of 35 percent more units if the developer includes the same corresponding increase in subsidized units.

#### **SUMMARY**

Under the Density Bonus updates proposal City staff would increase the number of units allowable on a given parcel of land by 50 percent instead of the state-required minimum of 35 percent, only if the developer includes the same corresponding increase in subsidized units.

In addition, the updates include:

- Increasing the number of ministerial incentives, such as reduced set-backs and tandem parking, to five from the state-required minimum of three without having to seek a discretionary zoning change from the City
- Reducing the permit requirement in Planned Development Overlay Zones (PDO) to a Process Two from a Process Three
- Implementing Assembly Bill 744 (Chau and Quirk) with proposed parking regulations for developments within a half mile of a major transit stop defined as one with service every 15 minutes at peak hours

#### **ANALYSIS**

The housing crisis in San Diego is one of the most growth-stifling issues facing the business community. In recognition of this, the Chamber, through leadership provided at the Infrastructure, Housing and Land Use Committee, authored and released the 2015 Update to the Chamber Housing Action Plan. Included within that plan, is an action step to "provide greater incentives to developers to encourage use of density bonus to construct more affordable and market-rate units." This action step is consistent with the proposed updates to the Density Bonus program at the City of San Diego.

The updates are designed to allow new projects to produce more units, as well as provide development concessions and parking relief near transit, if they set aside more homes at subsidized rates. The policy would benefit developers who invest in housing, and the community that seeks subsidized and market-rate homes. In addition, the program has the effect of generating more private resources for subsidized homes without additional public dollars.

#### **SUPPORT**

Building Industry Association of San Diego County, Climate Action Campaign, and San Diego Housing Federation.

#### **OPPOSITION**

None known.