

**January 2020**

## 5525 MT. ETNA DRIVE BY CHELSEA INVESTMENT

**POSITION:** The Chamber's Public Policy Committee voted to SUPPORT the proposed development on January 14, 2020. The Chamber's Board of Directors voted to SUPPORT the development on January 23, 2020.

**RATIONALE:** The San Diego region is woefully behind in developing a sufficient number of housing, particularly for those in need of affordable units. This proposal leverages vacant space near ample shopping in a vibrant neighborhood for disabled families and seniors in desperately in need of a stable home.

**STATUS:** The proposal is required to go before both County Board of Supervisors and the City Council for approval. It is expected before the City's Planning Commission in the early part of 2020.

### SUMMARY

The County of San Diego identified the site (County property and a former crime lab) as surplus property that could be used to help alleviate the housing shortage. The site is located in Clairemont, just off of Balboa and Genesee Avenues. Chelsea Investment Corporation (Chelsea) was chosen as the developer, and via a public private partnership in the form of a ground lease, will provide 404 units for families that have a developmental disability, and seniors (defined as 62 years old and up). These units are expected to house approximately 800 people.

Design details are forthcoming once the development envelope is determined via County processes.

The site is owned by the County, but located within the City of San Diego requiring a parallel process for approval by both jurisdictions. For the City, the plan requires a community plan amendment because the site needs to be rezoned for multifamily housing.

For context, in a separate Chelsea development within the City of San Diego that opened recently had 89 units and 2,500 families apply. This is typical of demand for affordable units locally.

### INDUSTRY/IES IMPACTED

Industries impacted are the general development community, as the proposal could become an example of success that other affordable developers would wish to emulate. The local business community located in the direct vicinity may also have some impacts by the additional residents but likely no more impact than if the site were developed as industrial or retail/commercial space.

### SUPPORTERS

Clairemont Coalition on Homelessness

### ARGUMENTS IN FAVOR

The region's housing shortage is well documented and a priority for the Chamber. This is a smart use of a vacant site that will create hundreds of additional units for some of our region's neediest individuals and families.

### OPPONENTS

- Clairemont Cares

### ARGUMENTS IN OPPOSITION

Placing a dense development at this site will have significant traffic impacts that will negatively affect quality of life for existing residents.

## MORE INFORMATION

**HOUSING:** The housing component's draft requirements and draft incentives are outlined as follows:

Requirements:

- Must be located in TPA that is zoned multi-family
- Must meet inclusionary requirements (10% at 60% AMI) PLUS an additional 10% at 120% AMI—no option to pay the in-lieu fee
- Must replace existing affordable units
- Must construct on-site amenities or pay into a neighborhood enhancement fund

Incentives:

- By-right approval
- Waiver of the dwelling units per acre standard of measuring density and instead switched to Floor Area Ration (FAR)- based density
- Waiver of height requirements, instead allowing for height to be governed by FAR (except within Coastal Height Zone)
- Use of up to five incentives from development regulations
- Development Impact Fees structured on project square footage instead of the number of units

**MOBILITY:** The mobility component redesigns development requirements around mobility by further enhancing areas where VMT is possible, and leveraging investment in areas where it is not (or where it is more expensive with less return) to further fund more mobility-friendly areas. Goals of the component are to increase the mobility options in the City, improve safety, and reduce greenhouse gas emissions (GHG) while furthering progress on the CAP. The program will:

- Establish new City CEQA significance determination thresholds
- Develops a new funding source- the Mobility Choices Fee to implement active transportation
  - Establishes Mobility Zones throughout the City that are determined by the feasibility of improved mobility options, recognizing that mobility investment in some parts of the City will have a far greater return than in others.
  - Requires that development in zones with increased feasibility be required to build or construct on-site VMT reducing amenities or pay an in-lieu fee
  - Fee money will be used to build VMT active transportation infrastructure
  - Certain exemptions apply (including affordable housing)