

Affordable Housing Policy Recommendations

<u>Policy Recommendation</u>	<u>Source Document</u>	<u>Responsible Government Agency</u>
CEQA exemptions for projects of 100 units or less	2003 Task Force Report	SD City Council
Reduce parking ratios	2003 Task Force Report	SD City Council
Fully implement expedite process, including maximum use of the deviation process	2003 Task Force Report	DSD
Revise density bonus regulations to provide a 50% density bonus for eligible projects	2003 Task Force Report	SD City Council
Amend muni code to allow applications for Tentative Parcel Maps to be acted upon in accordance with process 1	2003 Task Force Report	SD City Council
Amend muni code to allow all affordable projects to be approved in accordance with Process 2	2003 Task Force Report	SD City Council
Approve the fees required for the Affordable/In-fill Housing and Sustainable Buildings Expedite Program, but base the fees on square-footage instead of per unit (currently \$500 per unit)	2003 Task Force Report	SD City Council
The City Council shall direct the City Manager (City Staff) to require staff to work with project applicants to maximize the leverage of local subsidy money with State and Federal sources of subsidy.	2003 Task Force Report	SD Council
The City Council shall direct the City Manager (City Staff) to review the policies and procedures involved with the review of an affordable housing application in an effort to reduce or eliminate the “re-do” and “do-over” requests by staff and the time lost in “waiting for a decision”. The Affordable/In-fill Housing Expedite Program (Council Policy 600-27) attempts to address this issue. But the cost per unit to avail this service may erode any cost savings achieved. Estimated savings of \$750 to \$1000 per	2003 Task Force Report	SD City Council

unit; cost of \$500 per unit.		
The City Council shall direct all of its departments and agencies to investigate their policies and procedures for documentation of issues impacting the creation of affordable housing and work to find ways to standardize documents such as Due Diligence Reports, Loan Agreements, Bond Issuance Agreements and Developer Agreements. Estimated Savings of \$200 to \$400 per unit.	2003 Task Force Report	SD City Council
The City Council shall direct the City Attorney to prepare an ordinance defining the time for payment of City Impact Fees for affordable housing projects to be concurrent with the approval of the Certificate of Occupancy or Final Inspection. There will be no requirement for a waiver or bond. All fees for sewer, water, public facilities and housing linkage, will be covered by this ordinance. Estimated savings of \$1,500 to \$4,000 per unit.	2003 Task Force Report	SD City Council
The City of San Diego shall support SB 353 (Ducheny) state legislation to reduce the conflicts between State and Local priority rights of lending institutions making loans to affordable housing project. The City Council shall direct the City Manager to review City policies and procedures that impede the ability of developers of affordable housing from obtaining financing due to issues of City priority rights on title.	2003 Task Force Report	Mayor/SD City Council
The City of San Diego shall lobby the State Treasurer's office to amend the Tax Credit Allocation Plan to remove the bias towards projects applying for 9% Tax Credit financing located in Planned Urbanizing or Future Urbanizing areas of the City.	2003 Task Force Report	Mayor/SD City Council
The City of San Diego shall lobby the State Legislator and Governor to protect the Tax Credit allocation program and ensure that San Diego will continue to receive its proportionate share, whether the funds are exhausted in each year or carried forward.	2003 Task Force Report	Mayor/SD City Council
The City of San Diego shall lobby the State and Federal legislators to remove or reduce the "10 year hold rule" on the use 4% Tax Credit money for the acquisition of existing residences. The City Council shall create a position (or empower an existing position) within the City to develop a	3002 Task Force Report	Mayor/SD City Council

<p>tracking strategy to ensure the City is achieving its Fair Share of all State and Federal funding programs for the design, acquisition and/or construction of affordable housing and set targets for the subsidy levels to be utilized on a per unit basis for each economic category of family income. So that Redevelopment Set-Aside funds are used solely to subsidize the economic gap created by the affordable housing restrictions.</p> <ul style="list-style-type: none"> i. The City Manager shall prepare a report to the City Council quarterly, outlining the success in achieving State, Federal and Local funds for affordable housing. ii. The City Manager shall prepare a report to the City Council quarterly, outlining the use of the funds collected from State, Federal and Local source for affordable housing and compare the use of funds to the established affordable housing goals 		
<p>The City of San Diego shall support the passage of AB 1344 (Garcia) to provide for an exclusion of the requirement of prevailing wage for a qualified transfer of real property to a non-profit corporation. The City Council shall lobby the State Legislature and Governor for a continued exemption from the requirements of Prevailing Wage on the construction of affordable housing.</p>	2003 Task Force Report	Mayor/SD Council
<p>Reduce impact fees by 10% for projects affordable to households earning less than 80% of AMI</p>	2003 Task Force Report	SD City Council
<p>Direct staff to re-evaluate DIF for multi-family residential development in order to charge more for larger and less for smaller multi-family units</p>	2003 Task Force Report 2011 Best Practices Report	SD City Council
<p>City should support State legislation for adoption of the International Resident Code. Improved building codes can reduce costs 7-14%</p>	2003 Task Force Report	Mayor's Office
<p>Encourage green power housing that meets energy star ratings and generates a percentage of projected electrical needs thus providing continuing low utility costs to enhance the affordability of the housing</p>	2003 Task Force Report	DSD
<p>DSD should be completely overhauled from top to bottom within 3 years to make recommended measures the norm for all projects</p>	2003 Task Force Report	Mayor's Office

Ensure that fees assessed by Code Compliance are cost recoverable and institute maximum punitive damages to property owners requiring repeat inspections	2003 Task Force Report	DSD
The Technical Advisory Committee (TAC) shall review all development processing regulations to streamline the timing necessary to achieve approval of residential housing projects.	2003 Task Force Report	SD City Council
The City Council will coordinate with local business, civic and philanthropic organizations to promote a “Buy San Diego” program to increase the amount of dollars expended by our local economy to remain in San Diego, thereby increasing all local contribution programs.	2003 Task Force Report	SD City Council
<p>Send to the voters funding plans to meet San Diego’s affordable housing goals.</p> <p>A. The Goal for Local Funding for the provision of 2,497 low and very low affordable housing in San Diego is \$124,850,000 annually. Adopting the increases to Local Funding Sources under control of the City (Recommendation 1, above) will reduce that amount to \$86,567,000. The adoption of Recommendation 2 above would save an estimated \$9,988,000 annually, leaving an unfunded annual goal of \$76,579,000.</p> <p>B. The City Council shall put before the voters funding plans for the provision of affordable housing utilizing two of the following revenue source alternatives. Any revenue measures before the voters must have a portion set aside for accessible housing.</p> <p>Dollars Revenue Sources Raised Annually</p> <p>a. (15-1) 1. An increase from 10.5% to 12.5% in the TOT would generate \$20,600,000</p> <p>b. (15-1) 2. A 5% Car Rental Tax would generate \$40,000,000</p> <p>c. (9-6) 3. Increase from 7.75% to 8.75% the Restaurant Sales Tax \$21,800,000</p> <p>d. (9-6) 4. A tripling of the Real Estate Transfer Tax* \$12,000,000</p>	2003 Task Force Report 2010 CREECC Report	Mayor/SD City Council

<p>e. (9-6) 5. A 10% Parking Lot Tax 19,600,000. According to the IBA, the tax could generate \$31 million annually.</p>		
<p>Transient Occupancy Tax (TOT) generated \$140.8 million in FY 2009; \$73.8 million went to the General Fund. Tax is levied on visitors occupying rooms at hotels, motels, inns, and other lodging facilities for less than 30 days.</p> <p><u>Current rate, 10.5%</u> 5.5% to the General Fund 4.0% in Special Promotions Fund 1.0% Discretionary Use</p> <p>Increasing tax would require voter approval majority vote if for general purpose; 2/3s voter approval for special purpose. A 1.0% increase to General Fund allocation would generate \$13.4 million annually.</p>	<p>2010 CREECC Study</p>	<p>Voter Approval</p>
<p>Repealing the People’s Ordinance of 1919 would generate the City \$39,000,000 annually.</p> <p>Refuse Collection - preliminary estimate that recovering the cost of refuse services would generate \$49.7 million, with a total monthly fee of \$15.16 for trash, recycling, and greenery services</p> <ul style="list-style-type: none"> • \$34 million to the General Fund • \$15.7 million to the Recycling Fund 	<p>2003 Task Force Report 2010 CREEC Report</p>	<p>Voter approval</p>
<ul style="list-style-type: none"> • According to the 2003 AHTEF, placing a \$15/customer/month Utility Users Tax would generate the City \$18,500,000 annually. • According to the IBA, if rate imposed at average of \$74 annually per capita, \$100.2 million in annual revenue. 	<p>2003 Task Force Report 2010 CREEC Report</p>	<p>Voter approval</p>

<ul style="list-style-type: none"> If the tax is for special purpose, it would require 2/3 approval. Would require majority voter approval if used for general purpose. 		
<ul style="list-style-type: none"> A Half Cent increase to the Sales Tax 97,000,000 In FY 2009, Sales & Use Taxes generated \$206.1 million. Increasing the City's Sales Tax by .25% would generate an additional \$51 million annually. 	2003 Task Force Report 2010 CRECC Report	Voter approval
Adopting a \$1.00 per Passenger Landing Fee would generate \$10,000,000 annually	2003 Task Force Report	Voter approval
Adopting a 10% Sports and Entertainment Ticket Tax would generate \$9,800,000 annually for the City.	2003 Task Force Report	Voter approval
Adopting a 2 Hour Increase on Parking Meters would generate \$1,100,000 annually for the City	2003 Task Force Report 2010 CREEC Report	Voter Approval
<p>IBA mentioned a non-city resident fee for seasonal beach/bay parking, but did not receive Council approval</p> <ul style="list-style-type: none"> If approved, estimates suggested annual revenue of \$1.15 million Fees of \$6 for up to 4 hours (\$10 max per day) 		City Council Approval
<p>Doubling the Storm Drain Fee would generate the City \$6,000,000 annually.</p> <p>In the IBA 2010 Report, if the Storm Water Fee was increase, it could generate \$37.7 million in annual revenue to offset operations and maintenance costs.</p> <p>Assuming that residential properties fee is increased from .95/month (\$2,517,319) for 225,519 residences to 5.49/month (\$14,583,382)</p> <p>Assuming that commercial properties fee is increased from 0.0647/HCM (3,761,791,356 HCF total to \$0.374/HCM (\$23,117,866 total)</p>	2003 Task Force Report 2010 CREEC Report	Voter approval
Increasing business taxes would require voter approval: Majority vote, if	2010 CREEC Report	

<p>for general purpose; 2/3 vote, if for special purpose In FY 2009, the City collected \$14 million in business taxes. If the rate is tripled, the city would collect <u>an additional</u> \$13 million annually.</p> <p><u>Current rate is:</u> \$34 for small businesses, 12 or fewer employees \$125, \$5 per employee, for larger businesses, 13 or more employees</p>		
<p>Send to the voters a funding plan to meet San Diego's other infrastructure needs. The Task Force recommends that the City begin to address the serious infrastructure problem in the 24 urbanized communities.</p> <p>These communities have historically accepted, voluntarily or involuntarily, higher levels of density than the rest of the City. At the same time, the City has not provided the necessary public infrastructure to support these densities. There is clearly a shortfall of approximately \$2 billion in infrastructure in these communities.</p> <p>For the City to accommodate the increased levels of affordable housing we recommend, much of it will occur through redevelopment in the older communities. These communities will require significant increases in infrastructure funding to support these new units.</p> <p>Prior to Proposition 13, the City historically committed one half of sales tax revenues to the Capital Improvements Program. In today's dollars, this would be almost \$100 million annually.</p> <p>We (2003 ATHF) recommend that the Council approve a \$1 billion infrastructure bond supported by a \$12 per month parcel tax to be placed before the voters, which will require 2/3 approval, in the next special or general election. This bond would be principally used for streets,</p>	<p>2003 Task Force Report</p>	<p>Mayor/SD City Council</p>

sidewalks, streetscapes and park and recreation facilities. It could also be used for fire and library facility needs not addressed by the current financing plans approved by City Council. The proceeds should be split 70% to urbanized communities and 30% to planned urbanizing communities to ensure that the citywide needs are addressed.		
San Diego City Council to place a Parcel tax of \$50 per parcel citywide on the ballot. Would require 2/3 voter approval. The new tax would generate \$18.5 million annually	2010 CREECC Study	SD City Council 2/3 Voter Approval
Create affordable housing overlay zones	2003 Task Force Report 2010 BAE Study 2011 Best Practices Report	SD City Council
Permanently defer DIFs and FBA for all project types, including affordable housing projects	2011 Best Practices Report	SD City Council
Create a “Housing Czar”	2003 Task Force Report 2011 Best Practices Report	SD Housing Commission
Establish a land bank to manage and use publicly assemble properties	2011 Best Practices Report	SD Housing Commission
Standardize construction and financing documentation among agencies	2011 Best Practices Report	DSD/CCDC/SD Housing Commission
Publish info online regarding rules on restricted and subsidized units, how to develop and made affordable units available, how to qualify for these units, and general landlord and tenant rights	2011 Best Practices Report	DSD/CCDC/SD Housing Commission
Expand the expedited permit process for affordable housing	2011 Best Practices Report	DSD
Authorize an expedited permit review process upon payment of an expedite fee for market-rate housing	2011 Best Practices Report	DSD
Give priority to affordable housing for designated lands	2011 Best Practices Report	SD City Council
Reform California Tax Credit Allocation Committee	New	Mayor’s Office/State Legislature
Reform federal bond program	New	Mayor’s Office/Congressional

	Delegation
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