



COUNCILMEMBER DAVID ALVAREZ
City of San Diego
Council District Eight
MEMORANDUM

DATE: January 17, 2017

TO: Councilmember Scott Sherman, Chair, Smart Growth & Land Use Committee

FROM: Councilmember David Alvarez 

SUBJECT: 2017 Smart Growth & Land Use Committee Priorities

In response to your memorandum soliciting priorities for the 2017 Smart Growth & Land Use Committee Priorities, I urge you to focus on the housing affordability crisis faced by our City. The priorities presented below fall into three main pillars: allowing for housing development, expediting the process to build housing and identifying the necessary funding for affordable housing. These are my specific recommendations:

Increase Availability of Housing Supply:

- 1. Procedures for City Property Sales:** The Real Estate Assets Department manages the City's real estate portfolio. Some property sales can be received negatively by the community if not processed in a collaborative manner. The Committee should create a procedure that includes formal community input and Planning Group recommendation before being brought forward for Council consideration. Additionally, the historical review process should be taken into account on historical properties. Furthermore, the Real Estate Assets Department should prioritize the sale of assets that can contribute to the development of affordable housing. For example, in 2013, the City Council approved a ground lease purchase agreement, allowing for the nonprofit, San Diego Community Land Trust, to develop affordable single-family homes in the Nestor community. Under this agreement, the City was able to transfer ownership of a 3.3-acre property to the trust for a minimal payment. This agreement allowed for an unused City asset to be used for the creation of more housing.
- 2. Review Consistency of Community Plans and Zoning Regulations:** To ensure our communities grow in a responsible and efficient way, it is important that there is consistency between community

plans and zoning regulations. The following areas in District Eight would greatly benefit from this consistency, allowing for greater and more focused development:

- Commercial Street corridor
- Imperial Avenue
- Market Street
- San Ysidro Boulevard

Currently, there are approximately 7,500 existing single and multi-family residential units in San Ysidro. The updated San Ysidro Community Plan, would allow for up to 9,850 units. New density is targeted in the areas around the Beyer Trolley Station, along San Ysidro Blvd and within the two village areas. This committee should consider by-right/ministerial procedures rather than discretionary review as a way to encourage further development throughout the City.

3. **Barrio Logan Plan Update:** In 2013, the City Council approved a long overdue update to the Barrio Logan Community Planning area. The update passed by the Council would have provided Barrio Logan businesses and residents the much needed zoning revisions to allow the community to grow and flourish in the coming decades. The Community Plan estimated for an additional 2,563 dwelling units in this area, which would have greatly benefitted this community. However, the update was subsequently overturned through an initiative process by special interests. Mayor Faulconer indicated in 2014 that staff would bring forward a revised proposal to update the community plan. No such proposal has been brought forward for consideration. It is critical that the residents of Barrio Logan have an update to their community plan that allows the community to build and grow for future generations. The Committee should request a plan update be brought forward for consideration in 2017.
4. **Otay Mesa Central Village Specific Plan:** The 229.2 acre Central Village Specific plan is a mixed use village located in the central portion of the Otay Mesa Community. This plan has had a total of 64 total meetings involving City staff and six submittals of the specific plan document and technical studies. This plan proposes medium to high density residential areas centered along Airway Road focused around schools and parks. The Central Village Specific Plan proposes an estimated of 4,485 to 4,682 dwelling units in this area. The committee should review this proposal in 2017 to ensure that it moves forward for Council review.
5. **Homeless Solutions:** San Diego ranks 4th in the nation for the size of its homeless population, with an estimate of over 8,000 individuals. In an effort to address homeless in this City, this Committee should review available properties to provide indoor and permanent shelter space to our growing homeless population. For example, this Committee could explore the possibility of utilizing the old San Diego Downtown Public Library as a location to provide refuge to our homeless population.

Permit Process:

6. **Housing Affordability:** The City is in the midst of a housing crisis. The median sale price of a new home in the County was \$765,000, which puts home ownership out of reach for many San Diegans. Furthermore, the average rent in San Diego is \$1,743 per month. If left unaddressed it will not only continue to severely limit the supply of available housing to middle class families throughout San

Diego, but will also begin to cripple the City's ability to attract and retain new business, as money employees will not be able to live in the City in which they work. This Committee should explore potential solutions to address this situation including:

- Reduce of parking requirements for residential development projects
- Increase feasibility in zones to allow for mixed used housing as live/work quarters
- Improving permit process at DSD
- Allow for property owners to build accessory dwelling units in all zones
- Create targets for creation of units throughout the City and by community

7. **Support Responsible and Sustainable Development:** The building industry in San Diego is a significant contributor to our economy. We must work together to develop greater capacity for housing and commercial facilities in the most responsible and sustainable way possible. Most recently, the City has experienced a number of contentious development projects in communities that do not want to see growth, meanwhile other neighborhoods welcome and have been asking for this type of development and growth. This Committee should suggest incentives to foster additional development in areas that accept greater density. The Development Services Department (DSD) should research ways in which the City can expedite permit processing time, assess performance measures, create a matrix for units approved and units built. The Committee should look at the potential to revise minimum parking standards. Additionally, DSD and the Independent Budget Analyst should provide the Committee with a comparison of what other cities are doing to subsidize public infrastructure requirements for projects.

Identify Increased Funding for Affordable Housing:

8. **Support SB2 “Building Homes and Jobs Act” (Atkins):** The Building Homes and Jobs Act (SB2) creates a permanent source of funding for the creation of affordable housing for low and moderate-income Californians. If enacted, the bill would impose a fee of \$75 to be paid at the time of the recording of every real estate transaction required or permitted by law to be recorded. The bill would require that funds be used to support the development, acquisition, rehabilitation, and preservation of affordable homes, including transitional and permanent rental housing, foreclosure mitigation, and homeownership opportunities. It is estimated that this fee will generate approximately \$500 million each year to support affordable housing in California. This Committee should support this piece of legislation because of the impact it will have on addressing the issue of affordable housing and ensure this becomes a specific legislative priority for the City's State lobbying team.
9. **Utilization of Promise Zone Funding:** Last year, the Obama Administration designated a certain geographic area of the City as a Promise Zone. The San Diego Promise Zone area stretches from East Village and Barrio Logan in the West extending to Encanto and Emerald Hills in the East with a population of a little over 77,000 residents. Promise Zones are characterized for high unemployment, low education levels, concentrated poverty, rising crime and limited affordable housing. The City, along with its partners, have identified six goals to revitalize this area and improve the quality of life for residents. The focus areas are: creation of jobs, improving economic activity, reducing violent crime, increasing educational opportunities, access to affordable housing, and promotion of health and access to healthcare. This Committee should explore the potential of leveraging promise zone funding to help support housing affordability in these areas.