

CALIFORNIA COASTAL COMMISSION

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**Mon 7c**

October 27, 2000

RECORD PACKET COPY

TO: COMMISSIONERS AND INTERESTED PERSONS

FROM: DEBORAH LEE, SOUTH COAST DEPUTY DIRECTOR
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SUBJECT: STAFF RECOMMENDATION ON MAJOR AMENDMENT NO. 3-2000
(Affordable Housing) TO THE CITY OF SAN DIEGO LOCAL COASTAL
PROGRAM IMPLEMENTATION PLAN (For Public hearing and Possible Action
at the Meeting of November 13-17, 2000)

SYNOPSIS

This LCP amendment was the subject of a public hearing before the Commission at the September 2000 meeting in Eureka. Due to concerns raised by the City and the Dept. of Housing and Community Development, the Commission determined that action on the LCP amendment would be premature at that time. Because the mandated time limits for Commission action were about to expire, the City had to withdraw the amendment request and resubmit the request for subsequent Commission consideration at the October 2000 hearing. Prior to the October hearing, the City requested a time extension which was granted by the Commission. The LCP amendment has been given an updated number, but will not be considered an additional LCP submittal by the City of San Diego for the year 2000. Following the September hearing, the Commission staff met with representatives from the City of San Diego and the Department of Housing and Community Development. As a result of that discussion, the staff recommendation has been revised; however, there are still concerns expressed by HCD representatives and City staff that are not resolved. (see Exhibit 6 for comments from HCD; City letter will be sent separately).

SUMMARY OF AMENDMENT REQUEST

The proposed amendment revises the City's LCP Implementation Plan (Land Development Code) to incorporate additional development incentives for the provision of affordable housing in accordance with state law. The modifications would allow for the following as additional development incentives: 1) deviations from applicable development regulations; 2) a density bonus providing for density greater than 25 percent bonus mandated by Government Code section 65915; or, 3) financial incentives to encourage the construction of affordable housing. Other minor changes to the City's affordable housing program include application of more stringent affordability

requirements, provisions for density bonuses for projects where 50% of the units are reserved for senior citizens and changes to how the affordable units are calculated. This amendment is proposed to bring the General Plan, Land Development Code and LCP into conformity.

SUMMARY OF STAFF RECOMMENDATION

Staff is recommending denial of the subject amendment request and then approval with suggested modifications. The suggested modification clarifies that when a modification is requested from the applicable development regulations as an incentive to providing affordable housing in the Coastal Overlay Zone, the permitted incentive should have no adverse effects on coastal resources; or, if all possible incentives would have adverse effects, it should be the one most protective of sensitive coastal resources. With the permitted incentive, the project should be consistent with the certified LCP land use plan and LCP implementation plan except for the approved density and the development standard requiring modification to accommodate the affordable housing. The suggested modification also adds language which clarifies that deviations from the Environmentally Sensitive Lands (ESL) regulations may be permitted only when the proposed project satisfies the criteria for deviations from ESL regulations that apply to all development within the Coastal Overlay Zone.

The appropriate resolutions and motions begin on page 5. The suggested modifications begin on page 6. The findings for denial of the Implementation Plan Amendment as submitted begin on page 7. The findings for approval of the Implementation Plan Amendment, if modified, begin on page 12.

BACKGROUND

The City of San Diego has 12 geographic LCP segments. The subject amendment request involves modification to its implementation plan which is part of the City's LCP. The City's implementation plan known as the Land Development Code (LDC) was approved by the Commission in February, 1999 and effectively certified in November, 1999. The City's affordable housing program provisions from its former municipal code were simply incorporated into the LDC without significant changes. The Commission approved the language in the LDC addressing affordable housing because at the time, the City asked that any revisions to the code language addressing affordable housing not be modified by the Commission at that time, due to the pending nature of the City's Housing Element and the City's intent to address the Commission's concerns in a future LCP amendment. At that time, the City had not yet amended its local regulations addressing changes in state law in 1990 pertaining to affordable housing which required localities to offer a development incentive in addition to a density bonus and, as such, a lawsuit was filed against the City and the Housing Commission for failure to amend its ordinance to comply with the changes in the state law. The lawsuit was settled out of court in September, 1998 with the principal provision of the settlement being that the City would agree to amend its local ordinance to comply with state law. The revisions to the

Affordable Housing regulations are, thus, now being brought forward as the subject LCP amendment request.

ADDITIONAL INFORMATION

Further information on the City of San Diego LCP Amendment No. 1-99 (Affordable Housing) may be obtained from Laurinda Owens, Coastal Planner, at (619) 767-3270.

PART I. OVERVIEW

A. LCP HISTORY

A. BACKGROUND/LCP HISTORY

The City of San Diego has a long history of involvement with the community planning process; as a result, in 1977, the City requested that the Coastal Commission permit segmentation of its Land Use Plan (LUP) into twelve (12) parts in order to have the LCP process conform, to the maximum extent feasible, with the City's various community plan boundaries. In the intervening years, the City has intermittently submitted all of its LUP segments; the status of those submittals is as follows:

1. North City - certified as resubmitted January 13, 1988;
Torrey Pines LUP Update certified on
February 8, 1996
2. La Jolla/La Jolla Shores - certified as submitted on April 26, 1983
3. Pacific Beach - certified as Update resubmitted on
May 11, 1995
4. Mission Beach - certified as submitted on July 13, 1988
5. Mission Bay - certified with suggested modifications
on November 15, 1996
6. Ocean Beach - certified as resubmitted on
August 27, 1985
7. Peninsula - certified as resubmitted on
August 27, 1985
8. Centre City/
Pacific Highway
Corridor - certified with suggested modifications
on January 13, 1988

9. Barrio Logan/
Harbor 101 - certified as submitted on
February 23, 1983
10. Otay Mesa/Nestor - certified as submitted on
March 11, 1986
11. Tia Juana River
Valley - certified as submitted on
July 13, 1988; resubmittal certified
with suggested modifications on
February 4, 1999
12. Border Highlands - certified as submitted on
July 13, 1988

When the Commission approved segmentation of the LUP, it found that the implementation phase of the City's LCP would involve a single unifying submittal. This was achieved in January, 1988, and the City of San Diego assumed permit authority on October 17, 1988 for the majority of its coastal zone. Several isolated areas of deferred certification remained at that time; some of these have been certified since through the LCP amendment process. Other areas of deferred certification remain today and are completing planning at a local level; they will be acted on by the Coastal Commission in the future.

In February, 1999, the Commission approved, with suggested modifications, LCP Amendment #3-98B, consisting of the City's Land Development Code (LDC). These ordinances represented a complete rewrite of the City's former implementation plan (Municipal Code) which had been previously certified by the Commission as part of the City of San Diego Local Coastal Program (LCP). In addition to ordinances, the LDC included the Land Development Manual, which consisted of the Coastal Bluffs and Beaches Guidelines, Steep Hillside Guidelines, Biology Guidelines; Landscape Standards and Historical Guidelines. Action on the Steep Hillside Guidelines was deferred until August, 1999. The LDC, including the Land Development Manual, was effectively certified as the City of San Diego LCP Implementation Plan on November 4, 1999.

B. STANDARD OF REVIEW

Pursuant to Section 30513 of the Coastal Act, the Commission may only reject zoning ordinances or other implementing actions, as well as their amendments, on the grounds that they do not conform with, or are inadequate to carry out, the provisions of the certified land use plan. The Commission shall take action by a majority vote of the Commissioners present.

C. PUBLIC PARTICIPATION

The City has held Planning Commission and City Council meetings with regard to the subject amendment request. All of those local hearings were duly noticed to the public. Notice of the subject amendment has been distributed to all known interested parties.

PART II. LOCAL COASTAL PROGRAM SUBMITTAL - RESOLUTIONS

MOTION I: *I move that the Commission reject the Implementation Program for City of San Diego certified LCP as submitted.*

STAFF RECOMMENDATION OF REJECTION:

Staff recommends a YES vote. Passage of this motion will result in rejection of Implementation Program and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

RESOLUTION TO DENY CERTIFICATION OF THE IMPLEMENTATION PROGRAM AS SUBMITTED:

The Commission hereby denies certification of the Implementation Program submitted for City of San Diego certified LCP and adopts the findings set forth below on grounds that the Implementation Program as submitted does not meet the requirements of and is not in conformity with the policies of Chapter 3 of the Coastal Act. Certification of the Implementation Program would not meet the requirements of the California Environmental Quality Act as there are feasible alternatives and mitigation measures that would substantially lessen the significant adverse impacts on the environment that will result from certification of the Implementation Program as submitted

MOTION II: *I move that the Commission certify the Implementation Program for City of San Diego certified LCP if it is modified as suggested in this staff report.*

STAFF RECOMMENDATION:

Staff recommends a YES vote. Passage of this motion will result in certification of the Implementation Program with suggested modifications and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

RESOLUTION TO CERTIFY THE IMPLEMENTATION PROGRAM WITH SUGGESTED MODIFICATIONS:

The Commission hereby certifies the Implementation Program for City of San Diego certified LCP if modified as suggested and adopts the findings set forth below on grounds that the Implementation Program with the suggested modifications will meet the

requirements of and be in conformity with the policies of Chapter 3 of the Coastal Act. Certification of the Implementation Program if modified as suggested complies with the California Environmental Quality Act, because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the Implementation Program on the environment, or 2) there are no further feasible alternatives and mitigation measures that would substantially lessen any significant adverse impacts on the environment.

PART III. SUGGESTED MODIFICATIONS

1. Section 143.0750 Deviation to Allow Additional Development Incentive

An applicant may request a modification to the applicable development regulations pursuant to Section 143.0740(c), other than from the *Environmentally Sensitive Lands regulations*, as an additional development incentive for affordable housing pursuant to a Site Development Permit decided in accordance with Process Four, provided that the findings in Section 126.0504(a) and the supplemental findings in Section 126.0504(l) are made.

- (a) In the Coastal Overlay Zone, the decisionmaker may grant a Deviation from the *Environmentally Sensitive Lands* regulations only when the decisionmaker finds that the application complies with all criteria for approval of a deviation that are set forth in Section 126.0708 concerning Coastal Development Permits and Section 126.0504(a-c) concerning Site Development Permits.
- (b) If the decisionmaker determines that a modification to applicable development regulations requested by an applicant pursuant to this section will not have any adverse effects on coastal resources, the decisionmaker may grant the requested incentive. If the decisionmaker determines that the requested modification to applicable development regulations will have an adverse effect on coastal resources, the decisionmaker shall consider ALL feasible alternative additional development incentives as defined by Section 143.0740 and the effects of such incentives on coastal resources. The decisionmaker may grant one or more of those incentives that do not have an adverse effect on coastal resources. If all feasible incentives would have an adverse effect on coastal resources, the decisionmaker shall grant only that additional incentive which is most protective of significant coastal resources.
- (c) For the purposes of this section, "coastal resources" means any resource which is afforded protection under the policies of Chapter 3 of the Coastal Act, California Public Resources Code section 30200 *et seq.*, including but not limited to public access, marine and other aquatic resources, environmentally sensitive habitat, and the visual quality of coastal areas.

2. In Sections 126.0502(d)(5), 126.0504(l) and 143.0740(c), the word deviation should be changed to modification when referring to a modification to the applicable development regulations as an additional development incentive for affordable housing.

PART IV. FINDINGS FOR REJECTION OF THE CITY OF SAN DIEGO LCP IMPLEMENTATION PLAN AMENDMENT, AS SUBMITTED

A. AMENDMENT DESCRIPTION

The City is proposing to amend its affordable housing density bonus program under its certified LCP to comply with State requirements which became effective in 1990. According to the City Manager's Report dated 5/25/99, the adoption of this program would result in more stringent housing affordability requirements than those required in the current Density Bonus regulations and would facilitate usage of the density bonus program by allowing developers to request a deviation from development regulations as an additional incentive, if certain findings can be made.

As described in the City's Manager's Report, Section 65915 of the State Government Code requires all local jurisdictions in California to offer a density bonus for affordable housing that meets the criteria specified in the statute. The bonus is 25% above the maximum density otherwise permitted by the underlying zone. The City of San Diego has had an ordinance implementing this requirement in its certified LCP since the early 1980's. About 1,000 affordable units have been provided under the program since that time. In 1990, Section 65915 was amended to require localities to offer an incentive or concession beyond the additional units provided by the 25% density bonus. Under the 1990 amendment, if a housing developer shows that a "waiver or modification is necessary to make the housing units economically feasible," a local government shall approve a concession or incentive which may take the form of a waiver or modification of applicable development standards.

The Affordable Housing Density Bonus Regulations are contained in Chapter 14, Article 3, Division 7 of the Land Development Code entitled Affordable Housing Density Bonus Regulations commencing with Section 143.0710. The City's submittal proposes to delete current language in Sections 143.0740 and 143.0750 and replace it with new language as follows:

SEC. 143.0740 – Additional Development Incentive for Affordable Housing

In accordance with the provisions of Government Code Section 65915, the City may grant a development incentive in addition to the 25 percent density bonus. The additional development incentive may consist of the following:

- (a) a density bonus of more than 25 percent;

(b) a financial incentive consisting of:

- (1) fee reductions or deferrals as authorized for affordable housing in the Municipal code; or
- (2) direct financing assistance from the Housing Commission, Redevelopment Agency, or other public funds, if authorized by the applicable agency on a case-by-case basis, or

(c) a deviation from applicable development regulations of the underlying zone pursuant to Section 143.0750.

Section 143.0750 establishes the deviation process and states:

SEC. 143.0750 - Deviation to Allow for Additional Development Incentive

An applicant may request a deviation from the applicable development regulations as an additional development incentive for affordable housing pursuant to a Site Development Permit decided in accordance with Process Four provided that the findings in Section 126.0504(a) and the supplemental findings in Section 126.0504(l) are made.

The Site Development Permit for a deviation from applicable development regulations must be approved through Process 4 which is for applications for permits that are approved or conditionally approved or denied by the Planning Commission and which are appealable to the City Council. Previously, projects that included affordable housing were only reviewed under the City's Process Three, which involves only a review by a Hearing Officer. Thus, the Commission agrees that the proposed change to review affordable housing projects which include a deviation under Process Four, which affords a higher level of discretionary review, is appropriate.

The findings required to approve a Site Development Permit are contained in Site Development Permit Procedures in the Land Development Code commencing with Section 126.0501. Section 126.0504 states:

SEC. 126.0504 Findings for Site Development Permit Approval

A Site Development Permit may be approved or conditionally approved only if the decision maker makes all of the findings in Section 126.0504(a) and the supplemental findings in Section 126.0504(b) through (l) that are applicable to the proposed development as specified in this section.

a) Findings for all Site Development Permits

- (1) The proposed development will not adversely affect the applicable land use plan;
- (2) The proposed development will not be detrimental to the public health, safety and welfare; and
- (3) The proposed development will comply with the applicable regulations of the Land Development Code.

And,

1) Supplemental Findings – Deviation for Affordable Housing

A development that requires a Site Development Permit in accordance with Section 143.0750 because the applicant has requested a deviation from the applicable development regulations as an additional incentive to a density bonus for providing affordable housing may be approved or conditionally approved only if the decision maker makes the following supplemental findings in addition to the findings in Section 126.0504(a):

- (1) The proposed development will materially assist in accomplishing the goal of providing affordable housing opportunities in economically balanced communities throughout the City.
- (2) The development will not be inconsistent with the purpose of the underlying zone.
- (3) The deviation is necessary to make it economically feasible for the applicant to utilize any density bonus authorized for the development pursuant to Section 143.0730.

Also proposed is a clarification in Section 143.0730 that the development shall be permitted at a density that does not exceed 125 percent of the units permitted by the density regulations of the applicable base zone. Additionally, any additional density bonus above 25% would be calculated in the same manner. Section 113.0222 of the Land Development Code includes the methodology for calculation of density for any zone which contains a maximum permitted density, such as 1,500 sq.ft. /unit. The units permitted would be determined by dividing the lot area by the maximum permitted density as shown in the following example. The percentage of affordable units is then applied to the number of pre-bonus units instead of the total number of units. This modification is proposed in Section 143.0720 in the City's submittal. An example of a density and affordable unit calculation is as follows:

RM Zones (multi-family)

Base Density of a lot in R-M 2-5 Zone =

Lot Area =20,000 sq.ft.

Maximum Permitted Density = 1,500 sq.ft. /dwelling unit

Units Permitted = 20,000 sq.ft. /1, 500 = 13.3 units

Calculation of Density Bonus =

$13.3 \times 1.25 = 16.62$ rounded up to 17.0 units

Total Density with Bonus = 17 dwelling units

Number of Units Which Must be Provided as Affordable =

$20\% \text{ of } 13.3 = .20 \times 13.3 = 2.66$ (rounded up to 3.0) =

3 units which must affordable to low income households

The City has indicated if the density bonus shown in the above example can be accommodated in a manner that is not inconsistent with the purpose of the underlying zone, such a bonus can be granted.

Other changes to the housing element of the City's certified LCP will result in more stringent affordability requirements. The current density bonus regulations require that at least 20 percent of the total units be affordable to households of low or moderate income. Low-income units must be affordable at the 80 percent level of area median income and moderate income units must be affordable at 120 percent of area median income. All units must remain affordable for 20 years. The 1990 State statute amendments resulted in changes to these affordability provisions such that moderate income affordable units no longer qualify for the density bonus. Changes were also made to the percentage of area median income that must be affordable and that the minimum term of affordability be lengthened from 20 years to 30 years if a second incentive or concession is utilized. If no incentive in addition to the 25 percent density bonus is utilized, the minimum term of affordability is reduced to ten years. In either case, after ten or 30 years, the units need no longer remain affordable pursuant to state law.

Two other changes to the implementation plan include that a density bonus be made available for projects where at least 50 percent of the units are reserved for persons who qualify as senior citizens. In addition, as described above, changes relating to how the number of affordable units is calculated were also made.

B. SPECIFIC FINDINGS FOR REJECTION

The standard of review for LCP implementation submittals or amendments is their consistency with and ability to carry out the provisions of the certified LUP.

a) Purpose and Intent of the Ordinance. The purpose of the ordinance is to provide increased residential densities to developers who guarantee that a portion of their residential development will be available to low income, very low-income, or senior

households. The regulations are intended to materially assist the housing industry in providing adequate and affordable shelter for all economic segments of the community and to provide a balance of housing opportunities for low income, very low-income and senior households throughout the City. It is intended that the affordable housing density bonus and any additional development incentive be available for use in all residential developments, using criteria and standards provided in the Progress Guide and General Plan, as defined by the San Diego Housing Commission. It is also intended that these regulations implement the provisions of California Government Code Sections 65915 through 65918.

b) Major Provisions of the Ordinance. The major provisions of the ordinance include when affordable housing density bonus regulations apply, requirements for an affordable housing density bonus agreement, the density bonus provisions and additional development incentives for affordable housing.

c) Adequacy of the Ordinance to Implement the Certified LUP Segments. The proposed ordinance amendment is a change to the existing Land Development Code, which is part of the certified LCP. The ordinance changes will include additional language addressing the development incentive or concession to developers beyond the 25% density bonus for purposes of providing affordable housing. As described earlier, such incentives include a deviation from applicable development regulations requiring a Site Development Permit and a Coastal Development Permit. The City has not identified what types of deviations may be considered for approval. However, deviations to development standards have typically consisted of relaxed development standards such as a reduction in the amount of required on-site parking or landscaping, etc. The City's revised ordinance also provides that an additional development incentive deviation may also consist of a density bonus that is greater than 25 percent. In addition, another development incentive may also include a financial incentive such as direct cash assistance from the Housing Commission or Redevelopment Agency or a reduction of water and sewer fees or the deferral of development impact fees until issuance of an occupancy permit.

Although the existing ordinance requires the City to make findings regarding a project's consistency with the LCP and effects on coastal access and environmentally sensitive lands, the proposed amendments do not clearly require the City to exercise its discretion under Government Code Section 69515 regarding affordable housing incentives in a manner consistent with the Coastal Act. In previous actions regarding LCP amendments for affordable housing incentives, the Commission has adopted modifications that require local governments to choose only incentives that have no adverse effects on significant coastal resources or, where all available incentives have adverse effects, to select the incentive that is most protective of coastal resources. For projects in the Coastal Overlay Zone, the Commission finds Section 143.0750 should specify that the City may grant only incentives that do not adversely affect coastal resources or, where all available incentives have adverse effects, only that incentive which is most protective of significant coastal resources.

Additionally, the Commission is concerned that, as submitted, a deviation from the Environmentally Sensitive Lands (ESL) regulations may be considered a possible incentive to encourage affordable housing. The City has confirmed that it intends applicants for affordable housing would remain subject to the same standards and procedures that govern the granting of deviations from the ESL regulations that apply to all other applicants. The City has also acknowledged that use of the term "deviation" when referring to a modification to an applicable development regulation as an additional development incentive is confusing because there is a separate process for "deviations" established in the LDC.

In its certification of the LDC, the Commission addressed deviations from the ESL regulations through suggested changes because the Commission was concerned that such deviations should be allowed only under very limited and specific conditions, i.e., when denial of an application would result in a taking. The suggested modifications were accepted by the City and the language makes clear that, in the Coastal Overlay Zone, deviations from the ESL regulations should only be considered if there would otherwise be a denial of all economically viable use of the property. Such deviations should only be considered in very limited cases involving such highly constrained and sensitive property that reasonable use would otherwise be precluded. In such a case, a density increase would certainly result in conflicts with other applicable LCP provisions such that the required findings could not be made.

Therefore, the Commission finds that Section 143.0750 of the affordable housing regulations which addresses modifications as development incentives, should be revised to reflect the City's intent that proponents of development that qualifies for a density bonus would remain subject to the same standards and procedures governing the granting of deviations from the ESL regulations that apply to all applicants for such deviations. Additionally, the City has suggested that the word deviation should be changed to avoid confusion between the two processes. As submitted, the proposed ordinance is not consistent with, nor adequate to carry out the policies of the certified land use plan, unless such a modification is included.

PART V. FINDINGS FOR APPROVAL OF THE CITY OF SAN DIEGO IMPLEMENTATION PLAN AMENDMENT, IF MODIFIED

As stated previously, the City is proposing changes to its existing certified ordinances addressing affordable housing. As described above, the purpose of the proposed ordinance is to provide additional development incentives for the provision of affordable housing. These incentives may consist of a density bonus of more than 25 percent; a financial incentive consisting of fee reductions or deferrals as authorized for affordable housing in the Municipal code or direct financing assistance from the Housing Commission, Redevelopment Agency, or other public funds; or, a deviation from applicable development regulations of the underlying zone.

A. DEVIATIONS FROM DEVELOPMENT REGULATIONS.

The types of deviations from the applicable development regulations that might be requested by an applicant are not clearly identified in the proposed LDC language and are fairly open-ended. It is up to the developer and/or applicant to specifically request what kind of deviation they would like to have granted. In the review of other LCP amendments pertaining to affordable housing, such deviations have typically included relaxed development standards, such as, a reduction in the amount of on-site parking or provision of on-site landscaping. Typically, the Commission has suggested language is necessary in the ordinance to assure the City approves the development incentive that has the least environmental impact and is most protective of significant coastal resources. With regard to the types of deviations from development standards which may be granted, the City has stated that they prefer not to identify what types of deviations may be considered in their ordinance. This is because, if this information were included, it may be misconstrued to mean that such deviations are granted by right.

The Coastal Commission has stated several concerns to the City in the past with regard to affordable housing and development incentives for projects in the coastal zone. This is because granting of density bonuses and incentives, such as deviations from development standards, could result in development which is inconsistent with many of the City's LCP policies that address protection of coastal resources including wetlands, public access, visual resources, etc. As such, to the extent feasible, the concessions mandated by Government Code § 69515 should be accommodated without creating inconsistencies with the policies and development standards of the certified LCP and without adverse impacts to significant coastal resources. Where all possible incentives are inconsistent with the LCP and have adverse impacts on significant coastal resources, the City should grant only the incentives that are most protective of coastal resources. In this particular case, coastal resources means any resource which is afforded protection under the policies of Chapter 3 of the Coastal Act, including but not limited to public access, marine and other aquatic resources, environmentally sensitive habitat and the visual quality of coastal areas.

The City has a series of processes that an applicant must go through when a density bonus is sought in connection with proposed development or when an applicant seeks a deviation from the applicable development regulations as an additional development incentive for a density bonus for affordable housing. The City has indicated the purpose of the proposed ordinance is to set up the process where density bonuses and deviations from development regulations can be approved *if* consistent with all of the other regulations of the Land Development Code. Although Government Code section 69515 contemplates that there may be times when the development would be inconsistent with the LCP or have adverse effects on coastal resources, the process proposed here requires the City to evaluate the various options and to select an option that has no adverse effects on coastal resources or, if all feasible options have adverse effects, the option that is most protective of significant coastal resources.

In the coastal zone, different kinds of development permits are required for projects which propose affordable housing pursuant to the City's Land Development Code. Pursuant to Section 126.0502, a Site Development Permit is required for development projects which include affordable housing incentives or concessions. In accordance with

this process, certain findings must be made (as previously outlined in the amendment description). However, in the Coastal Overlay Zone, development projects which propose affordable housing must also obtain a Coastal Development Permit. The Coastal Development Permit process includes a separate set of findings in Section 126.0708 (ref. Exhibit #4) that must be made in order to assure conformance with the certified land use plan policies, the certified LCP implementation plan and the public access and recreation policies of the Coastal Act.

In review of projects involving affordable housing in the Coastal Overlay Zone, the City must determine what type of modification to the applicable development regulations is appropriate depending on the nature of the site and any potential impacts to coastal resources. Although the statute requires that the city must grant a development concession or incentive to any developer who can meet the standards set forth therein, the City retains considerable discretion as to which concession or incentive to provide. The Commission has previously required that other local governments consider the range of possible options. It has further required that the local government choose an option that would not have adverse effects on coastal resources. Where all incentives would have adverse effects on coastal resources, the Commission has required that the local government grant the incentive that is most protective of significant coastal resources. Any development proposal that includes affordable housing should only be granted a development incentive if the findings can be made that, with the permitted incentive, the project does not have any adverse effects on coastal resources or, if all possible incentives or concessions have adverse effects on coastal resources, the project is the most protective of significant coastal resources.

The Commission acknowledges that the findings of the different processes the City requires for affordable housing are subject to interpretation. Additionally, the proposed incentives offer a variety of ways to lessen the regulatory and site constraints and allow an increase in the number of units in a development project. In previous direction to the City regarding their affordable housing program, density bonuses and deviations, the Commission has made it clear that coastal resources may be adversely affected ~~only~~ only when it has been found to be impossible to accommodate the mandated 25% density increase without such impacts. In those situations, the density increase must be accommodated by those means that are the most protective of significant coastal resources.

With regard to proposed development incentives, the City should grant incentives that will not adversely affect coastal resources. However, if all possible incentives will have an adverse effect on coastal resources, the LCP must provide for use of the incentive that is the most protective of significant coastal resources.

Following are several examples of how the significance of the resource and/or impact must be considered and weighed in order to determine what incentive should be granted in order to make the applicable findings of approval for a coastal development permit. The CDP findings require that the proposed coastal development will not encroach upon any existing physical accessway legally used by the public or that is identified in an LCP land use plan, and that the development will enhance and protect public views to and

along the ocean. As such, if a project that includes affordable housing is proposed that would encroach onto an existing physical accessway used by the public to gain access to the beach, then a deviation to the development standards that would result in blockage of such access should be permitted only if the City has examined other possible modification to the LCP standards, and has determined that the access blockage is the most protective of coastal resources of all the possible options. Similarly, if development is proposed in a location where an identified view corridor exists, a waiver from or modification to a development standard that would allow an increase in height such that the public view is obstructed should be permitted only after the City has examined other possible waivers and exceptions and determined that the modification to the required view corridor is the one that is most protective of significant coastal resources.

Another finding that must be met is that the proposed coastal development is in conformity with the certified Local Coastal Program land use plan and complies with all regulations of the certified Implementation Program. This should be true for all aspects of the project other than the approved density, which is subject to the density bonus, and the specific LCP provision from which the applicant is seeking a waiver or concession. Any development proposal that includes affordable housing must be considered with regard to its consistency with the certified land use plan for the area. Each land use plan contains specific policies addressing protection of coastal resources that are unique to the geographic plan area. For example, in the Point Loma community, the LUP contains policies addressing protection of public views along the San Diego Bay in the La Playa area and also the protection of a bayside trail that has historically been used by the public for lateral access. In La Jolla, the LUP contains numerous policies addressing protection of public views toward the ocean and identifies numerous view corridors. Specific policies also address siting of development to protect such views including terracing development away from street corners along streets that are designated view corridors to maximize public views, and opening up side yards to prevent a "walled-off" effect from the ocean. When considering appropriate incentives for development with affordable housing in these communities, the City must consider the applicable land use policies and assure that the approved development is consistent with all policies in the certified Land Use Plan except insofar as is necessary to allow the City to grant the incentive or concession that is most protective of coastal resources.

The CDP findings also require that coastal development between the nearest public road and the sea or the shoreline shall be in conformity with the public access and public recreation policies of Chapter 3 of the Coastal Act. For example, in the City of San Diego, the first three to four blocks inland from the coast are designated as a Beach Impact Area. This area is where parking is most competitively sought by beachgoers as well as patrons of local retail shops and business establishments. Within this area, the City has imposed more stringent parking standards which also include prohibition of curb cuts, etc. to maximize on-street parking. In these areas, it would generally not be appropriate to approve a project for affordable housing with a development incentive that would allow a reduction to on-site parking because of the adverse effects of such an incentive on public access to the beach.

In order to assure this interpretation is carried out in the implementation of the proposed LCP amendment, the Commission finds additional language should be added to Section 143.0750 of the development regulations for affordable housing. The additional language assures that discretion will be applied by the decision maker to determine the affordable housing is approved with the development incentive that is most protective of significant coastal resources depending on the site constraints, location, sensitivity of the resource and potential impacts. In all cases, a modification from applicable regulations should only be approved as an additional development incentive if the decision maker can find that the proposed development is otherwise consistent with the certified LCP with the exception of density and the applicable standard for which the deviation is sought. As so modified, the Commission can find the proposed revisions to the certified LCP Implementation Plan is consistent with and adequate to carry out the policies of the certified land use plans.

B. ENVIRONMENTALLY SENSITIVE LANDS

In the certified Land Development Code, the Environmentally Sensitive Lands regulations apply to all proposed development when environmentally sensitive lands are present on the premises. Environmentally Sensitive Lands (ESL) include sensitive biological resources, steep hillsides, coastal beaches, sensitive coastal bluffs and 100-year floodplains. The ESL regulations are intended to assure that development occurs in a manner that protects the overall quality of the resources and the natural and topographic character of the area, encourages a sensitive form of development, retains biodiversity and interconnected habitats, maximizes physical and visual public access to and along the shoreline, and reduces hazards due to flooding in specific areas while minimizing the need to construct flood control facilities.

The ESL regulations as certified by the Commission as part of the LCP Implementation Plan identify uses permitted within the above mentioned ESL and contain specific development regulations for each type of sensitive resource. In addition to a Coastal Development Permit with the associated findings, the City also requires a Site Development Permit because of potential impacts to ESL. Pursuant to Section 126.0504 (b), a Site Development Permit may only be approved if the following findings are made:

- (1) The site is physically suitable for the design and siting of the proposed development and the development will result in minimum disturbance to environmentally sensitive lands;
- (2) The proposed development will minimize the alteration of natural landforms and will not result in undue risk from geologic and erosional forces, flood hazards, or fire hazards;
- (3) The proposed development will be sited and designed to prevent adverse impacts on any adjacent environmentally sensitive lands;
- (4) The proposed development will be consistent with the City of San Diego's Multiple Species Conservation Program (MSCP) Subarea Plan;

(5) The proposed development will not contribute to the erosion of public beaches or adversely impact local shoreline sand supply; and,

(6) The nature and extent of mitigation required as a condition of the permit is reasonably related to, and calculated to alleviate negative impacts created by the proposed development.

In some cases in review of LCPAs for affordable housing, the Commission has required that constrained lands be deducted from the acreage of developable land prior to application of the density bonus. Constrained lands might include, for example, steep hillsides or wetlands. However, the Environmentally Sensitive Lands regulations in the Land Development Code do not require that constrained area be deducted from the acreage prior to calculation of density. The environmentally sensitive lands are excluded from the building envelope available for development, and certain development regulations apply. In review of projects requesting a development incentive for affordable housing, if the incentive can be accommodated on a site which contains environmentally sensitive lands consistent with the resource protection policies of the certified Land Use Plan and the ESL regulations, and the above findings can be made, then the incentive may be permitted.

However, when environmentally sensitive lands are present, often times even the maximum base density allowed by the underlying zone cannot be accommodated on a site consistent with the ESL regulations. The base density is the maximum number of units that can be constructed on a site pursuant to the underlying zone. In those situations where site constraints limit the maximum density below that which would otherwise be allowed by the base zone, a density bonus would not be consistent with the ESL regulations. A deviation from the ESL regulations would be the only option; however, the City has also strongly emphasized that an applicant for an affordable housing incentive or concession on a site that includes Environmentally Sensitive Lands would be subject to the same standards and procedures applicable to all applicants for deviations from the ESL development regulations. The Commission concurs with this evaluation and believes that the standards and procedures that govern the approval of a deviation from the ESL regulations addressed in Section 143.0150 should apply to applications requesting an affordable housing incentive or concession in the form of a deviation from ESL regulations.

Therefore, the Commission is suggesting a modification to Section 143.0750 of the affordable housing regulations to clarify that no deviations from ESL regulations may be granted unless the City finds that the application complies with all the normally applicable requirements for ESL deviations. Additionally, the second suggested modification would change the word deviation to modification when referring to a modification from the applicable development regulations as an additional development incentive for affordable housing.

In summary, with the proposed suggested modifications, the LCP as amended would authorize the City to grant an applicant an affordable housing incentive or concession

when that project is otherwise consistent with the LCP; and when the granted incentive or concession either has no adverse effects on coastal resources, or is most protective of coastal resources when considering all the available incentives or concessions. With the proposed suggested modifications, an applicant could obtain a deviation from the ESL regulations as an incentive or concession only when the applicant satisfies all the requirements for obtaining deviations from ESL regulations that apply to all other developments within the Coastal Overlay Zone. With the proposed suggested modifications, the Commission finds the proposed implementation plan revision consistent with, and able to carry out, the certified land use plan segment, as modified herein. In addition, with regard to the proposed changes to the City's affordable housing program including application of more stringent affordability requirements, provisions for density bonuses for projects where 50% of the units are reserved for senior citizens and changes to how the density bonus is calculated, the Commission also finds these proposed changes consistent with, and able to carry out, the certified land use plan.

PART VI. CONSISTENCY WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The California Environmental Quality Act (CEQA) exempts local government from the requirement of preparing an environmental impact report (EIR) in connection with its local coastal program. Instead, the CEQA responsibilities are assigned to the Coastal Commission and the Commission's LCP review and approval program has been found by the Resources Agency to be functionally equivalent to the EIR process. Thus, under CEQA Section 21080.5, the Commission is relieved of the responsibility to prepare an EIR for each LCP.

Nevertheless, the Commission is required when reviewing an LCP submittal or, as in this case, an LCP amendment submittal, to find that the LCP, or LCP, as amended, does conform with CEQA provisions. In the case of the subject LCP amendment request, the Commission finds that approval of the City's implementation plan amendment, as proposed, would result in significant impacts under the meaning of the California Environmental Quality Act. Without additional clarifying language to assure that developments with affordable housing inclusive of increased densities and/or development incentives is most protective of coastal resources and consistent with all other policies of the certified LCP, potential impacts to such resources might occur. Suggested modifications have been proposed which will eliminate any ambiguity and will make it very clear that the ordinance will not permit impacts to coastal resources. With inclusion of the suggested modifications, implementation of the revised ordinance would not result in significant impacts under the meaning of the California Environmental Quality Act. Therefore, this modified LCP amendment can be found consistent with the provisions of the California Environmental Quality Act.

Black and white photo of the 1472 by the name of the city helps us in our distribution.

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(O-99-84)

ORDINANCE NUMBER O- **18654** (NEW SERIES)

ADOPTED ON **JUN 21 1993**

AN ORDINANCE AMENDING THE SAN DIEGO MUNICIPAL CODE BY AMENDING CHAPTER 12, ARTICLE 6, DIVISION 5 OF THE LAND DEVELOPMENT CODE BY AMENDING SECTIONS 126.0502 AND 126.0504; AMENDING CHAPTER 14, ARTICLE 1, DIVISION 3 BY AMENDING SECTION 141.0310; AMENDING CHAPTER 14, ARTICLE 3, DIVISION 3 BY AMENDING SECTION 143.0302; AND AMENDING CHAPTER 14, ARTICLE 3, DIVISION 7 BY AMENDING SECTIONS 143.0710, 143.0715, 143.0720, AND 143.0730, BY REPEALING SECTIONS 143.0740 AND 143.0750, AND BY ADDING NEW SECTIONS 143.0740 AND 143.0750, ALL RELATING TO DENSITY BONUS REGULATIONS.

WHEREAS, on December 9, 1997, the Council, by Ordinance No. O-18451, adopted the Land Development Code for The City of San Diego as part of the San Diego Municipal Code, replacing existing zoning regulations, including regulations pertaining to the provision of density bonus to developments that provide affordable housing as part of development projects; and


WHEREAS, the City desires to amend the density bonus regulations to be more consistent with most recent changes in State density bonus legislation; NOW, THEREFORE,

BE IT ORDAINED, by the Council of The City of San Diego, as follows:

Section 1. That Chapter 12, Article 6, Division 5 of the Land Development Code is amended by amending sections 126.0502 and 126.0504, to read as follows:

SEC. 126.0502 When a Site Development Permit is Required

- (a) [No change.]
- (b) A Site Development Permit decided in accordance with Process Three is

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|---|
| EXHIBIT NO. 1 |
| APPLICATION NO. |
| SDLCPA 3-2000 |
| Adopted City Resolution |
|  California Coastal Commission |

required for residential *development* that involves any of the following:

(1) *Development* with an affordable housing *density* bonus within the RE, RS, RX, RT, and AR zones.

(2) *Development of mobilehome parks* within the RS or RX zones, as described in Section 143.0302.

(3) Within the Mobilehome Park Overlay Zone, discontinuance of a *mobilehome park*, as described in Section 143.0630.

(4) Within any multiple unit residential zone, multiple unit residential *development* that exceeds the number of dwelling units indicated in Table 126-05A on *lots* which are consolidated or otherwise joined together for the purpose of accommodating the *development*.

[No change in Table 126-05A.]

(5) Multiple unit residential *development* that varies from minimum parking requirements, as described in Section 142.0525(a).

(c) [No change.]

(d) [No change in first sentence.]

(1) through (4) [No change.]

(5) *Development* for which the *applicant* seeks a deviation from the applicable development regulations as an additional development incentive to a *density* bonus for affordable housing under Section 143.0750.

(e) [No change.]

SEC. 126.0504 Findings for Site Development Permit Approval

A Site Development Permit may be approved or conditionally approved only if the decision maker makes all of the *findings* in Section 126.0504(a) and the supplemental *findings* in Section 126.0504(b) through (l) that are applicable to the proposed *development* as specified in this section.

(a) through (k) [No change.]

(l) Supplemental Findings--Deviation for Affordable Housing

A *development* that requires a Site Development Permit in accordance with Section 143.0750 because the *applicant* has requested a deviation from the applicable development regulations as an additional incentive to a *density* bonus for providing affordable housing may be approved or conditionally approved only if the decision maker makes the following supplemental *findings* in addition to the *findings* in Section 126.0504(a):

(1) [No change.]

(2) The *development* will not be inconsistent with the purpose of the underlying zone.

(3) The deviation is necessary to make it economically feasible for the *applicant* to utilize any *density* bonus authorized for the *development* pursuant to Section 143.0730.

Section 2. That Chapter 14, Article 1, Division 3 of the Land Development Code is amended by amending section 141.0310, to read as follows:

SEC. 141.0310 - Housing for Senior Citizens

Housing for senior citizens may be permitted with a Conditional Use Permit decided in accordance with Process Three in the zones indicated with a "C" in the Use

Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations.

(a) [No change.]

(b) Housing for senior citizens may be permitted an affordable housing density bonus and an additional development incentive as provided in Chapter 14, Article 3, Division 7 (Affordable Housing Density Bonus Regulations). All *density* bonus units in excess of 25 percent of the allowable *density* of the base zone shall be for occupancy by *very-low income* Senior Citizens or *very low-income* qualifying residents at a rent that does not exceed 30 percent of 50 percent of area median income, as adjusted for assumed household size. Proposed *developments* that provide daily meals in a common cooking and dining facility, and provide and maintain a common transportation service for residents, may be exempt from the affordability requirement of Chapter 14, Article 3, Division 7.

(c) through (e) [No change.]

Section 3. That Chapter 14, Article 3, Division 3 of the Land Development Code is amended by amending section 143.0302, to read as follows:

SEC. 143.0302 When Supplemental Neighborhood Development Permit and Site Development Permit Regulations Apply

[No change in first sentence.]

Table 143-03A
Supplemental Neighborhood Development Permit or Site Development Permit
Regulations Applicability

| Type of Development Proposal | Applicable Sections | Required Development Permit/Decision Process |
|---|--|--|
| Site Containing <i>Environmentally Sensitive Lands</i> | 143.0101-143.0160, 143.0303, 143.0305, 143.0350, 143.0375, 143.0380 | NDP/Process Two or SDP/Process Three or Four |
| Site Containing <i>Historical Resources</i> | 143.0201-143.0260, 143.0303, 143.0305, 143.0360, 143.0375, 143.0380 | NDP/Process Two or SDP/Process Four |
| <i>Fences or Retaining Walls Exceeding the Permitted Height</i> | 143.0303, 143.0305, 142.0350, 143.0375 | NDP/Process Two |
| Relocated Building Onto a Site With an Existing Building | 143.0303, 143.0305, 143.0345, 143.0375 | NDP/Process Two |
| Site with <i>Previously Conforming Conditions</i> | 127.0102, 143.0303, 143.0305, 143.0375 | NDP/Process Two |
| Nonresidential Development Exceeding the Maximum Permitted Parking | 142.0540(b), 143.0303, 143.0305, 143.0375 | NDP/Process Two |
| Shared Parking for Uses Not Listed in Section 142.0545(c) | 142.0545(b)(7), 143.0303, 143.0305, 143.0375 | NDP/Process Two |
| Commercial Development With Tandem Parking | 142.0555(b), 143.0303, 143.0305, 143.0375 | NDP/Process Two |
| <i>Previously Conforming Parking</i> for a discontinued use | 142.0510(d)(4), 143.0303, 143.0305, 143.0375 | NDP/Process Two |
| <i>Mobilehome Parks</i> in RM Zones | 143.0303, 143.0305, 143.0340, 143.0375 | NDP/Process Two |
| <i>Mobilehome Parks</i> in RS, RX Zones | 143.0303, 143.0305, 143.0340, 143.0375 | SDP/Process Three |
| Discontinuance of <i>Mobilehome Park</i> | 141.0410-141.0440, 132.0801-132.0804, 143.0303, 143.0305, 143.0375, 143.0380 | SDP/Process Three |
| Multiple Dwelling Unit Development that Varies from Minimum Parking Requirements | 142.0525(b), 143.0303, 143.0305, 143.0375, 143.0380 | SDP/Process Three |
| Nonresidential Development (With TDM Plan) that Varies from Minimum Parking Requirements | 142.0525(b), 143.0303, 143.0305, 143.0375, 143.0380 | SDP/Process Three |
| Community Plan Implementation Overlay Zone | 132.1401-132.1405, 143.0303, 143.0305, 143.0375, 143.0380 | SDP/Process Three |
| Mission Trails Design District | 132.1201-132.1205, 143.0303, 143.0305, 143.0375, 143.0380 | SDP/Process Three |
| Development Within the Urban Village Overlay Zone | 132.1101-132.1110, 143.0303, 143.0305, 143.0375, 143.0380 | SDP/Process Three |
| <i>Public improvements</i> on More Than 3,000 Feet of Frontage or Where City Standards Do Not Apply | 142.0601-142.0670, 143.0303, 143.0305, 143.0375, 143.0380 | SDP/Process Three |

| Type of Development Proposal | Applicable Sections | Required Development Permit/Decision Process |
|---|---|--|
| Manufactured Slopes in Excess of 25% Gradient and 25 Feet in Height | 142.0101-142.0149, 143.0303, 143.0305, 143.0375, 143.0380 | SDP/Process Three |
| Affordable Housing in RE, RS, RX, RT, AR Zones | 143.0303, 143.0305, 143.0310, 143.0320, 143.0375, 143.0380, 143.0710-143.0740 | SDP/Process Three |
| | | |
| Affordable Housing with Deviations from Development Regulations | 143.0303, 143.0305, 143.0310, 143.0320, 143.0375, 143.0380, 143.0750 | SDP/Process Four |
| Multiple Dwelling Unit Development in RM Zones Involving Lot Consolidation and Exceeds Number of Units Indicated in Table 126-05A | 143.0303, 143.0305, 143.0310, 143.0320, 143.0375, 143.0380 | SDP/Process Three |
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| Clairemont Mesa Height Limit Overlay Zone | 132.0401-132.0406, 143.0303, 143.0305, 143.0375, 143.0380 | SDP/Process Five |

Legend to Table 143-03A

| | |
|-----|---|
| NDP | NDP means Neighborhood Development Permit |
| SDP | SDP means Site Development Permit |

Section 4. That Chapter 14, Article 3, Division 7 of the Land Development Code is amended by amending sections 143.0710, 143.0715, 143.0720, and 143.0730, and by adding new sections 143.0740 and 143.0750, to read as follows:

SEC. 143.0710 - Purpose of Affordable Housing Density Bonus Regulations

The purpose of these regulations is to provide increased residential densities to developers who guarantee that a portion of their residential *development* will be available to *low income, very low-income*, or senior households. The regulations are intended to materially assist the housing industry in providing adequate and affordable shelter for all economic segments of the community and to provide a balance of housing opportunities

for *low income*, *very low-income*, and senior households throughout the City. It is intended that the affordable housing *density* bonus and any additional development incentive be available for use in all residential developments, using criteria and standards provided in the Progress Guide and General Plan, as defined by the San Diego Housing Commission. It is also intended that these regulations implement the provisions of California Government Code Sections 65915 through 65918.

SEC. 143.0715 - When Affordable Housing Density Bonus Regulations Apply

(a) This division applies to any residential *development* of five or more dwelling units where an *applicant* proposes *density* beyond that permitted by the applicable zone in exchange for a portion of the total dwelling units in the *development* being reserved for *low or very low-income* households or for senior citizens or qualified residents through a written agreement.

(b) An *applicant* proposing *development* as provided in Section 143.0715(a) shall be entitled to a density bonus as provided in Sections 143.0720 and 143.0730 and may be granted an additional development incentive as provided in Section 143.0740.

SEC. 143.0720 - Affordable Housing Density Bonus Agreement

(a) An *applicant* shall be entitled to a *density* bonus for any residential *development* for which an agreement is entered into by the *applicant* and the Chief Executive Officer of the San Diego Housing Commission as provided in Section 143.0720(b).

(b) The density bonus agreement shall include the following provisions:

(1) With respect to rental housing affordable units:

(A) at least 20 percent of the pre-bonus units in the *development* will be affordable, including an allowance for utilities, to *low-income* households at a rent that does not exceed 30 percent of 60 percent of area median income, as adjusted for assumed household size; or

(B) at least 10 percent of the pre-bonus units in the *development* will be affordable, including an allowance for utilities, to *very low-income* households at a rent that does not exceed 30 percent of 50 percent of area median income, as adjusted for assumed household size; or

(C) at least 50 percent of the total units will be available to senior citizens or qualifying residents as defined under California Civil Code section 51.3.

(2) With respect to "for sale" housing affordability shall be determined based on prevailing underwriting standards of mortgage financing available for the *development*, which shall include a forgivable second, silent mortgage, as administered by the Housing Commission. At least 20 percent of the pre-bonus units in the *development* shall be available to *low-income* purchasers or 10 percent of the pre-bonus units shall be available to *very low-income* purchasers or at least 50 percent of the pre-bonus units in the *development* shall be available to senior citizens or qualifying residents as defined under California Civil Code section 51.3.

(3) The affordable units will remain available and affordable as provided in Section 143.0720 for a period of at least 30 years if an additional development incentive is granted to the *applicant* as provided in Section 143.0740 or 10

years if an additional development incentive is not granted. If an *applicant* does not request an additional development incentive, the *applicant* shall submit a pro forma analysis for the Chief Executive Officer of the Housing Commission to document project feasibility.

(4) The affordable units shall be designated units which are comparable in bedroom mix and amenities to the market-rate units in the *development* and are dispersed throughout the *development*.

(5) Provision shall be made for certification of eligible tenants and purchasers, annual certification of property owner compliance, and payment of a monitoring fee, as adjusted from time to time, for monitoring of affordable unit requirements.

SEC. 143.0730 - Density Bonus Provisions

A residential *development* proposal requesting an affordable housing *density* bonus is subject to the following:

(a) The *development* shall be permitted a density bonus of the amount of units requested by the *applicant*, up to a total project dwelling unit count of 125 percent of the units permitted by the *density* regulations of the applicable base zone.

(b) through (d) [No change.]

(e) Where the *development* consists of two or more noncontiguous parcels lying within two or more community planning areas, the dwelling units reserved at levels affordable by *low-income* or *very low-income* households shall be distributed among community planning areas in the same proportion as the total number of dwelling units

constructed within the *development*.

SEC. 143.0740 - Additional Development Incentive for Affordable Housing

In accordance with the provisions of Government Code Section 65915, the City may grant a development incentive in addition to the 25 percent density bonus. The additional development incentive may consist of the following:

- (a) a density bonus of more than 25 percent;
- (b) a financial incentive consisting of:
 - (1) fee reductions or deferrals as authorized for affordable housing in the Municipal Code; or
 - (2) direct financing assistance from the Housing Commission, Redevelopment Agency, or other public funds, if authorized by the applicable agency on a case-by-case basis, or
- (c) a deviation from applicable *development* regulations pursuant to Section 143.0750.

SEC. 143.0750 Deviation to Allow for Additional Development Incentive

An applicant may request a deviation from the applicable development regulations as an additional development incentive for affordable housing pursuant to a Site Development Permit decided in accordance with Process Four provided that the *findings* in Section 126.0504(a) and the supplemental *findings* in Section 126.0504(l) are made.

Section 6. That a full reading of this ordinance is dispensed with prior to its final passage, a written or printed copy having been available to the City Council and the public a day prior to its final passage.

Section 7. Except in the Coastal Overlay Zone, this ordinance will take effect and be in force on the date the Land Development Code, adopted by the City Council on December 9, 1997, by Ordinance No. O-18451, becomes effective. Within the Coastal Overlay Zone, this ordinance shall be in force and effect on the date it is effectively certified by the California Coastal Commission as a City of San Diego Local Coastal Program amendment.

APPROVED: CASEY GWINN, City Attorney

By


Prescilla Dugard
Deputy City Attorney

PD:cdk
05/12/99
Or.Dept:Plan.&Dev.Rev.
O-99-84



THE CITY OF SAN DIEGO

April 14, 2000

Ms. Sherilyn Sarb
San Diego Coast Area
California Coastal Commission
3111 Camino del Rio North, Suite 200
San Diego, CA 92108

RECEIVED

APR 19 2000

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

Dear Sherilyn:

We appreciate the opportunity to have met with you and Laurinda Owens on March 17 to discuss the City of San Diego's proposed Affordable Housing Density Bonus Amendment. We promised at that meeting to forward to you a list of various permit situations with the Findings which would need to be made in order to allow development with an Affordable Housing Density Bonus on Environmentally Sensitive Lands in the Coastal Overlay Zone.

As you can see, a variety of Findings would need to be made. Of particular note is Supplemental Finding 126.0708(e) for development which proposes a deviation from Environmentally Sensitive Lands regulations in the Coastal Overlay Zone. This Finding requires that the project be the least environmentally damaging alternative and is consistent with all provisions of the certified Local Coastal Program with the exception of the provision for which the deviation is requested.

Our hope is that this summary will clarify that the City's Land Development Code provides ample protection of sensitive coastal lands from any potential adverse impacts associated with the use of the Affordable Housing Density Bonus program. Please call me at (619) 236-6139 if you have any questions or wish to discuss this further.

Sincerely,

Betsy McCullough
Deputy Director, Long Range Planning

Attachment

cc: File

Planning and Development Review

202 C Street, MS 5A • San Diego, CA 92101-3864
Tel (619) 236-6479 Fax (619) 236-6478

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|--|
| EXHIBIT NO. 2 |
| APPLICATION NO. |
| SDLCPA 3-2000 |
| List of City's Findings for Affordable Housing Density Bonus Projects |
| California Coastal Commission |



**Findings For Affordable Housing Density Bonus Projects
Having Environmental Impacts in Coastal Zone**

- I. If development is proposed with a deviation from the affordable housing density bonus , then
 - A. A Site Development Permit is required with:
 - 1. General Findings for all Site Development Permits (126.0504(a))
 - 2. Supplemental Findings for density bonus with a deviation (126.0504(m))
- II. If development is proposed on Environmentally Sensitive Lands, then
 - A. A Site Development Permit is required with:
 - 1. General Findings for all Site Development Permits (126.0504(a))
 - 2. Supplemental Findings for development on Environmentally Sensitive Lands (126.0504(b))
- III. If development is proposed on Environmentally Sensitive Lands with a deviation from the Environmentally Sensitive Lands development regulations, then
 - A. A Site Development Permit is required with:
 - 1. General Findings for all Site Development Permits (126.0504(a))
 - 2. Supplemental Findings for development on Environmentally Sensitive Lands (126.0504(b))
 - 3. Supplemental Findings for development on Environmentally Sensitive Lands with a deviation (126.0504(c))
- IV. If development is proposed in the Coastal Overlay Zone, then
 - A. A Coastal Development Permit is required with
 - 1. General Findings for all Coastal Development Permits (126.0708(a-d))
- V. If development is proposed in the Coastal Overlay Zone with deviations from the Environmentally Sensitive Lands development regulations, then
 - A. A Coastal Development Permit is required with
 - 1. General Findings for all Coastal Development Permits (126.0708(a-d))
 - 2. Supplemental Findings for development of Environmentally Sensitive Lands in Coastal Overlay Zone with a deviation (126.0708(e))
 - B. A Site Development Permit is required with:
 - 1. General Findings for all Site Development Permits (126.0504(a))
 - 2. Supplemental Findings for development on Environmentally Sensitive Lands (126.0504(b))
 - 3. Supplemental Findings for development on Environmentally Sensitive Lands with a deviation (126.0504(c))
- VI. If development is proposed with a deviation from an Affordable Housing Density Bonus in the Coastal Zone with proposed deviations from Environmentally Sensitive Lands

regulations.

- A. A Coastal Development Permit is required with
 - 1. General Findings for all Coastal Development Permits (126.0708(a-d))
 - 2. Supplemental Findings for development of Environmentally Sensitive Lands in Coastal Overlay Zone with a deviation (126.0708(e))

- B. A Site Development Permit is also required with
 - 1. General Findings for all Site Development Permits (126.0504(a))
 - 2. Supplemental Findings for density bonus with a deviation (126.0504(m))
 - 3. Supplemental Findings for development of Environmentally Sensitive Lands (126.0504(b))
 - 4. Supplemental Findings for development on Environmentally Sensitive Lands with a deviation (126.0504(c))

§ 126.0504 Findings for Site Development Permit Approval

A Site Development Permit may be approved or conditionally approved only if the decision maker makes all of the *findings* in Section 126.0504(a) and the supplemental *findings* in Section 126.0504(b) through (m) that are applicable to the proposed *development* as specified in this section.

(a) Findings for all Site Development Permits

- (1) The proposed *development* will not adversely affect the applicable *land use plan*;
- (2) The proposed *development* will not be detrimental to the public health, safety, and welfare; and
- (3) The proposed *development* will comply with the applicable regulations of the Land Development Code.

(b) Supplemental Findings--Environmentally Sensitive Lands

A Site Development Permit required in accordance with Section 143.0110 because of potential impacts to *environmentally sensitive lands* may be approved or conditionally approved only if the decision maker makes the following supplemental *findings* in addition to the *findings* in Section 126.0504(a):

- (1) The site is physically suitable for the design and siting of the proposed *development* and the *development* will result in minimum disturbance to *environmentally sensitive lands*;
- (2) The proposed *development* will minimize the alteration of natural land forms and will not result in undue risk from geologic and erosional forces, *flood* hazards, or fire hazards;
- (3) The proposed *development* will be sited and designed to prevent adverse impacts on any adjacent *environmentally sensitive lands*;
- (4) The proposed *development* will be consistent with the City of San Diego's Multiple Species Conservation Program (MSCP) Subarea Plan;
- (5) The proposed *development* will not contribute to the erosion of public beaches or adversely impact local shoreline sand supply; and

Sections (l) and (m) revised with this submittal

Ch. Art. Div.

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EXHIBIT NO. 3

APPLICATION NO.

SDLCPA 3-2000

LDC Section

126.0504/ Findings
for Site Development
Permit



California Coastal Commission

- (6) The nature and extent of mitigation required as a condition of the permit is reasonably related to, and calculated to alleviate, negative impacts created by the proposed *development*.

(c) Supplemental Findings--Environmentally Sensitive Lands Deviations

A Site Development Permit required in accordance with Section 143.0110 because of potential impacts to *environmentally sensitive lands* where a deviation is requested in accordance with Section 143.0150 may be approved or conditionally approved only if the decision maker makes the following supplemental *findings* in addition to the *findings* in Section 126.0504(a) and the supplemental *findings* in Section 126.0504(b):

- (1) There are no feasible measures that can further minimize the potential adverse effects on *environmentally sensitive lands*; and
- (2) The proposed deviation is the minimum necessary to afford relief from special circumstances or conditions of the land, not of the applicant's making.

(d) Supplemental Findings--Environmentally Sensitive Lands Deviation from Federal Emergency Management Agency Regulations

A Site Development Permit required in accordance with Section 143.0110 because of potential impacts to *environmentally sensitive lands* where a deviation is requested from the Federal Emergency Management Agency regulations as specified in Section 143.0150(b) may be approved or conditionally approved only if the decision maker makes the following supplemental *findings* in addition to the *findings* in Section 126.0504(a) and the supplemental *findings* in Section 126.0504(b):

- (1) The proposed *development* will not result in an increase in *flood* levels within any designated *floodway* during the base *flood* discharge; and
- (2) The deviation would not result in additional threats to public safety, in extraordinary public expense, or create a *public nuisance*.

(e) Supplemental Findings--Steep Hillside Development Area Regulations Alternative Compliance

A Site Development Permit required in accordance with Section 143.0110 because of potential impacts to *steep hillsides* where alternative compliance is requested in accordance with Section 143.0151 may be approved or conditionally approved only if the decision maker makes the following supplemental *findings* in addition to the *findings* in Section 126.0504(a) and the supplemental *findings* in Section 126.0504(b):

- (1) The proposed *development* is in conformance with the Steep Hillside Guidelines;
- (2) The proposed *development* conforms to the applicable *land use plan*; and

- (3) Strict application of the steep hillside development area regulations would result in conflicts with other City regulations, policies, or plans.

(f) Supplemental Findings--Important Archaeological Sites and Traditional Cultural Properties

A Site Development Permit required in accordance with Section 143.0210 because of potential impacts to an *important archaeological site* or *traditional cultural property* may be approved or conditionally approved only if the decision maker makes the following supplemental *findings* in addition to the *findings* in Section 126.0504(a) :

- (1) The site is physically suitable for the design and siting of the proposed *development*, the *development* will result in minimum disturbance to *historical resources*, and measures to fully mitigate for any disturbance have been provided by the *applicant*; and
- (2) All feasible measures to protect and preserve the special character or the special historical, architectural, archaeological, or cultural value of the resource have been provided by the *applicant*.

(g) Supplemental Findings--Historical Resources Deviation for Important Archaeological Sites and Traditional Cultural Properties

A Site Development Permit required in accordance with Section 143.0210 because of potential impacts to an *important archaeological site* or *traditional cultural property* where a deviation is requested in accordance with Section 143.0260 may be approved or conditionally approved only if the decision maker makes the following supplemental *findings* in addition to the *findings* in Section 126.0504(a):

- (1) There are no feasible measures, including a less environmentally damaging location or alternative, that can further minimize the potential adverse effects on *historical resources*;
- (2) The proposed deviation is the minimum necessary to afford relief and accommodate the *development* and all feasible measures to mitigate for the loss of any portion of the resource have been provided by the *applicant*; and
- (3) There are special circumstances or conditions apart from the existence of *historical resources*, applying to the land that are peculiar to the land and are not of the applicant's making, whereby the strict application of the provisions of the *historical resources* regulations would deprive the property owner of reasonable use of the land.

(h) Supplemental Findings--Historical Resources Deviation for Relocation of a Designated Historical Resource

A Site Development Permit required in accordance with Section 143.0210 because of potential impacts to *historical resources* where a deviation is requested in accordance with Section 143.0260 for relocation of a *designated historical resource* may be

approved or conditionally approved only if the decision maker makes the following supplemental *findings* in addition to the *findings* in Section 126.0504(a):

- (1) There are no feasible measures, including maintaining the resource on site, that can further minimize the potential adverse effects on *historical resources*;
 - (2) The proposed relocation will not destroy the historical, cultural, or architectural values of the *historical resource*, and the relocation is part of a definitive series of actions that will assure the preservation of the *designated historical resource*.
 - (3) There are special circumstances or conditions apart from the existence of *historical resources*, applying to the land that are peculiar to the land and are not of the applicant's making, whereby the strict application of the provisions of the *historical resources* regulations would deprive the property owner of reasonable use of the land.
- (i) Supplemental Findings--Historical Resources Deviation for in Substantial Alteration of a Designated Historical Resource or Within a Historical District

A Site Development Permit required in accordance with Section 143.0210 because of potential impacts to *designated historical resources* where a deviation is requested in accordance with Section 143.0260 for substantial alteration of a *designated historical resource* or within a *historical district* or new construction of a *structure* located within a *historical district* may be approved or conditionally approved only if the decision maker makes the following supplemental *findings* in addition to the *findings* in Section 126.0504(a) :

- (1) There are no feasible measures, including a less environmentally damaging alternative, that can further minimize the potential adverse effects on the *designated historical resource* or *historical district*;
 - (2) The deviation is the minimum necessary to afford relief and accommodate the *development* and all feasible measures to mitigate for the loss of any portion of the *historical resource* have been provided by the *applicant*; and
 - (3) The denial of the proposed *development* would result in economic hardship to the owner. For purposes of this finding, "economic hardship" means there is no reasonable beneficial use of a property and it is not feasible to derive a reasonable economic return from the property.
- (j) Supplemental Findings--Clairemont Mesa Height Limit

A Site Development Permit required in accordance with Section 132.1306 because an exception from the Clairemont Mesa height limit is requested may be approved or conditionally approved only if the decision maker makes the following supplemental *findings* in addition to the *findings* in Section 126.0504(a):

- (1) The granting of an exception will not significantly interfere with public views from western Clairemont Mesa to Mission Bay and the Pacific Ocean within the surrounding area; and
- (2) The granting of an exception is appropriate because there are existing *structures* over 30 feet in height and the proposed *development* will be compatible with surrounding one, two, or three-story *structures*; or the granting of an exception is appropriate because there are topographic constraints peculiar to the land; or the granting of the exception is needed to permit roofline and facade variations, accents, tower elements, and other similar elements and the elements will not increase the *floor* area of the *structure*.

(k) Supplemental Findings--Mobilehome Park Discontinuance

A Site Development Permit required in accordance with Section 132.0702 because a discontinuance of a *mobilehome park* is proposed may be approved or conditionally approved only if the decision maker makes the following supplemental *findings* in addition to the *findings* in Section 126.0504(a):

- (1) The discontinuance of use of the land for a *mobilehome park* or *mobilehome* spaces will not deprive the community of a needed facility;
- (2) The discontinuance of use of the land for a *mobilehome park* or *mobilehome* spaces, because of the associated relocation plan and conditions that have been applied to the discontinuance, will not be detrimental to the public health, safety, and welfare of persons living in the *mobilehome park*; and
- (3) The use to which the *applicant* proposes to put the property will provide a greater public benefit than continued use of the property as a *mobilehome park* or *mobilehome* spaces.

(l) Supplemental Findings--Affordable Housing Density Bonus

A project that includes an affordable housing *density* bonus and requires a Site Development Permit in accordance with Sections 143.0750 because the *development* involves a transfer of bonus *density* may be approved or conditionally approved only if the decision maker makes the following supplemental *findings* in addition to the *findings* in Section 126.0504(a):

- (1) The proposed *development* will materially assist in accomplishing the goal of providing affordable housing opportunities in economically balanced communities throughout the City;
- (2) The proposed *development* will not lead to over-concentration of persons and *families* of *low income* or *very low income* within any given community; and
- (3) Approving the Site Development Permit will not adversely affect the applicable *land use plan*, cause significant adverse effects upon the

environment, adversely affect solar access to neighboring property, or violate the relevant regulations of the Land Development Code.

(m) Supplemental Findings--Density Bonus and Affordable Housing Deviation

A project that includes an affordable housing *density* bonus and requires a Site Development Permit in accordance with Section 141.0760 because the *development* involves a deviation from the *density* bonus and affordable housing provisions may be approved or conditionally approved only if the decision maker makes the following supplemental *findings* in addition to the *findings* in Section 126.0504(a):

- (1) The proposed *development* will materially assist in accomplishing the goal of providing affordable housing opportunities in economically balanced communities throughout the City;
- (2) The proposed *development* will not lead to over-concentration of persons and *families* of *low income* or *very low income* within any given community; and
- (3) Approving the Site Development Permit will not adversely affect the applicable *land use plan*, cause significant adverse effects upon the environment, adversely affect solar access to neighboring property, or violate the relevant regulations of the Municipal Code.
- (4) Because of special circumstances applicable to the proposed *development* including property characteristics, economic constraints, location, or surroundings, the strict application of the provisions of Sections 143.0730 and 143.0740 would cause failure of the *development*.

§ 126.0505 Violations of a Site Development Permit

It is unlawful for any person to maintain, use, or develop any *premises* without a Site Development Permit if such a permit is required for the use or *development*, or to maintain, use, or develop any *premises* contrary to the requirements or conditions of an existing Site Development Permit. Violation of any provision of this division shall be subject to the enforcement provisions contained in Chapter 12, Article 1. Violations of this division shall be treated as strict liability offenses regardless of intent.

Findings for Coastal Development Permit Approval


An application for a Coastal Development Permit may be approved or conditionally approved only if the decision maker makes the following *findings*:

- (a) The proposed *coastal development* will not encroach upon any existing physical accessway that is legally used by the public or any proposed public accessway identified in a *Local Coastal Program land use plan*; and the proposed *coastal development* will enhance and protect public views to and along the ocean and other scenic coastal areas as specified in the *Local Coastal Program land use plan*;
- (b) The proposed *coastal development* will not adversely affect *environmentally sensitive lands*; and
- (c) The proposed *coastal development* is in conformity with the certified *Local Coastal Program land use plan* and complies with all regulations of the certified Implementation Program.
- (d) For every Coastal Development Permit issued for any *coastal development* between the nearest public road and the sea or the shoreline of any body of water located within the Coastal Overlay Zone the *coastal development* is in conformity with the public access and public recreation policies of Chapter 3 of the California Coastal Act.
- (e) Supplemental *Findings* - Environmentally Sensitive Lands Within the Coastal Overlay Zone

When a deviation is requested from the Environmentally Sensitive Lands Regulations because the applicant contends that application of the regulations would result in denial of all economically viable use, the Coastal Development Permit shall include a determination of economically viable use.

A Coastal Development Permit, or a Site Development Permit in the Coastal Overlay Zone, required in accordance with Section 143.0110 because of potential impacts to *environmentally sensitive lands* where a deviation is requested in accordance with Section 143.0150 may be approved or conditionally approved only if the decision

| Ch. | Art. | Div. |
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| EXHIBIT NO. 4 |
| APPLICATION NO. |
| SDLCPA 3-2000 |
| LDC Section 126.0708/Findings for Coastal Development Permit |
|  California Coastal Commission |

maker makes the following supplemental *findings* in addition to the *findings* in Section 126.0708(a), (b), (c) and (d) and the supplemental *findings* in Section 126.0504 (b):

The decision maker shall hold a public hearing on any application on a Coastal Development Permit that includes a deviation from the Environmentally Sensitive Lands Regulations in the Coastal Overlay Zone. Such hearing shall address the economically viable use determination. Prior to approving a Coastal Development Permit for development within the Coastal Overlay Zone that requires a deviation from the Environmentally Sensitive Lands Regulations, the decision maker shall make all of the following *findings*:

- (1) Based on the economic information provided by the applicant, as well as any other relevant evidence, each use provided for in the Environmentally Sensitive Lands Regulations would not provide any economically viable use of the applicant's property; and
- (2) Application of the Environmentally Sensitive Lands Regulations would interfere with the applicant's reasonable investment-backed expectations; and
- (3) The use proposed by the applicant is consistent with the applicable zoning; and
- (4) The use and project design, siting, and size are the minimum necessary to provide the applicant with an economically viable use of the premises; and
- (5) The project is the least environmentally damaging alternative and is consistent with all provisions of the certified *Local Coastal Program* with the exception of the provision for which the deviation is requested.

The *findings* adopted by the decision making authority shall identify the evidence supporting the *findings*.

§ 126.0709 Notice of Final City Action on a Coastal Development Permit

- (a) Notice of Final City Action by Mail. No later than 5 *business days* after the date on which all rights of appeal have expired for a Coastal Development Permit or any amendment or extension of a Coastal Development Permit, the City Manager shall mail a Notice of Final City Action to the Coastal Commission and to any other person who has requested this notice.
- (b) Contents of Notice of Final City Action. The Notice of Final City Action shall include the following:
 - (1) The conditions of approval for the Coastal Development Permit;
 - (2) The written *findings* required to approve the Coastal Development Permit; and

STRIKEOUT ORDINANCE

OLD LANGUAGE: ~~Struck Out~~
NEW LANGUAGE: Redline

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CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

(O-99-84)

ORDINANCE NUMBER O-_____ (NEW SERIES)

ADOPTED ON _____

AN ORDINANCE AMENDING THE SAN DIEGO MUNICIPAL CODE BY AMENDING CHAPTER 12, ARTICLE 6, DIVISION 5 OF THE LAND DEVELOPMENT CODE BY AMENDING SECTIONS 126.0502 AND 126.0504; AMENDING CHAPTER 14, ARTICLE 1, DIVISION 3 BY AMENDING SECTION 141.0310; AMENDING CHAPTER 14, ARTICLE 3, DIVISION 3 BY AMENDING SECTION 143.0302; AND AMENDING CHAPTER 14, ARTICLE 3, DIVISION 7 BY AMENDING SECTIONS 143.0710, 143.0715, 143.0720, AND 143.0730, BY REPEALING SECTIONS 143.0740 AND 143.0750, AND BY ADDING NEW SECTIONS 143.0740 AND 143.0750, ALL RELATING TO DENSITY BONUS REGULATIONS..

SEC. 126.0502 When a Site Development Permit is Required


(a) [No change.]

(b) A Site Development Permit decided in accordance with Process Three is required

for residential *development* that involves any of the following::

_____(1) ~~Development with an affordable housing density bonus that deviates from the density bonus provisions or affordable housing provisions, as described in Section 141.0760.~~

_____(2) ~~Development with an affordable housing density bonus that includes a transfer of bonus density, as described in Section 141.0750.~~

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| EXHIBIT NO. 5 |
| APPLICATION NO. |
| SDLCPA 3-2000) |
| Strikeout/Underline Ordinance |
|  California Coastal Commission |

~~(3)~~(1) *Development* with an affordable housing *density* bonus within the RE, RS, RX, RT, and AR zones.

~~(4)~~(2) *Development of mobilehome parks* within the RS or RX zones, as described in Section 143.0302.

~~(5)~~(3) Within the Mobilehome Park Overlay Zone, discontinuance of a *mobilehome park*, as described in Section 143.0630.

~~(6)~~(4) Within any multiple unit residential zone, multiple unit residential *development* that exceeds the number of dwelling units indicated in Table 126-05A on *lots* which are consolidated or otherwise joined together for the purpose of accommodating the *development*.

[No change in Table 126-05A.]

~~(7)~~(5) Multiple unit residential *development* that varies from minimum parking requirements, as described in Section 142.0525(a).

(c) [No change.]

(d) [No change in first sentence.]

(1) through (4) [No change.]

(5) *Development for which the applicant seeks a deviation from the applicable development regulations as an additional development incentive to a density bonus for affordable housing under Section 143.0750.*

(e) [No change.]

SEC. 126.0504 Findings for Site Development Permit Approval

A Site Development Permit may be approved or conditionally approved only if the decision maker makes all of the *findings* in Section 126.0504(a) and the supplemental *findings* in Section 126.0504(b) through (l) that are applicable to the proposed *development* as specified in this section.

(a) through (k) [No change.]

~~(l) Supplemental Findings--Affordable Housing Density Bonus~~

~~— A project that includes an affordable housing *density* bonus and requires a Site Development Permit in accordance with Sections 143.0750 because the *development* involves a transfer of bonus *density* may be approved or conditionally approved only if the decision maker makes the following supplemental *findings* in addition to the *findings* in Section 126.0504(a):~~

~~— (1) The proposed *development* will materially assist in accomplishing the goal of providing affordable housing opportunities in economically balanced communities throughout the City;~~

~~— (2) The proposed *development* will not lead to over-concentration of persons and families of low income or very low income within any given community; and~~

~~— (3) Approving the Site Development Permit will not adversely affect the applicable *land use plan*, cause significant adverse effects upon the environment, adversely affect solar access to neighboring property, or violate the relevant regulations of the Land Development Code.~~

~~(m)(l) Supplemental Findings--Density Bonus and Deviation for Affordable Housing Deviation~~

~~A project that includes an affordable housing *density* bonus and requires a Site Development Permit in accordance with Section 141.0760 because the *development* involves a deviation from the *density* bonus and affordable housing provisions may be approved or conditionally approved only if the decision maker makes the following supplemental *findings* in addition to the *findings* in Section 126.0504(a):~~

A *development* that requires a Site Development Permit in accordance with Section 143.0750 because the *applicant* has requested a deviation from the applicable development regulations as an additional incentive to a *density* bonus for providing affordable housing may be approved or conditionally approved only if the decision maker makes the following supplemental *findings* in addition to the *findings* in Section 126.0504(a):

(1) [No change.]

~~—— (2) — The proposed *development* will not lead to over-concentration of persons and families of low income or very low income within any given community; and~~

~~—— (3) — Approving the Site Development Permit will not adversely affect the applicable *land use plan*, cause significant adverse effects upon the environment, adversely affect solar access to neighboring property, or violate the relevant regulations of the Municipal Code.~~

~~—— (4) — Because of special circumstances applicable to the proposed *development* including property characteristics, economic constraints, location, or surroundings, the strict application of the provisions of Sections 143.0730 and 143.0740 would cause failure of the *development*.~~

(2) The *development* will not be inconsistent with the purpose of the underlying zone.

(3) The deviation is necessary to make it economically feasible for the *applicant* to utilize any *density* bonus authorized for the *development* pursuant to Section 143.0730.

SEC. 141.0310 - Housing for Senior Citizens

Housing for senior citizens may be permitted with a Conditional Use Permit decided in accordance with Process Three in the zones indicated with a "C" in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations.

(a) [No change.]

(b) Housing for senior citizens may be permitted an affordable housing density bonus and an additional development incentive as provided in ~~*density* bonus of up to 50 percent over that permitted by the base zone. All bonus units built over the allowable *density* of the base zone must comply with~~ Chapter 14, Article 3, Division 7 (Affordable Housing Density Bonus Regulations). All *density* bonus units in excess of 25 percent of the allowable *density* of the base zone shall be for occupancy by *very low-income* Senior Citizens or *very low-income* qualifying residents at a rent that does not exceed 30 percent of 50 percent of area median income, as adjusted for assumed household size. Proposed *developments* that provide daily meals in a common cooking and dining facility, and provide and maintain a common transportation service for residents, may be exempt from the affordability requirement of Chapter 14, Article 3, Division 7.

(c) through (e) [No change.]

SEC. 143.0302 When Supplemental Neighborhood Development Permit and Site Development Permit Regulations Apply

[No change in first sentence.]

Table 143-03A
Supplemental Neighborhood Development Permit or Site Development Permit
Regulations Applicability

| Type of Development Proposal | Applicable Sections | Required Development Permit/Decision Process |
|---|--|--|
| Site Containing <i>Environmentally Sensitive Lands</i> | 143.0101-143.0160, 143.0303, 143.0305, 143.0350, 143.0375, 143.0380 | NDP/Process Two or SDP/Process Three or Four |
| Site Containing <i>Historical Resources</i> | 143.0201-143.0260, 143.0303, 143.0305, 143.0360, 143.0375, 143.0380 | NDP/Process Two or SDP/Process Four |
| <i>Fences or Retaining Walls</i> Exceeding the Permitted Height | 143.0303, 143.0305, 142.0350, 143.0375 | NDP/Process Two |
| Relocated Building Onto a Site With an Existing Building | 143.0303, 143.0305, 143.0345, 143.0375 | NDP/Process Two |
| Site with <i>Previously Conforming</i> Conditions | 127.0102, 143.0303, 143.0305, 143.0375 | NDP/Process Two |
| Nonresidential <i>Development</i> Exceeding the Maximum Permitted Parking | 142.0540(b), 143.0303, 143.0305, 143.0375 | NDP/Process Two |
| Shared Parking for Uses Not Listed in Section 142.0545(c) | 142.0545(b)(7), 143.0303, 143.0305, 143.0375 | NDP/Process Two |
| Commercial <i>Development</i> With Tandem Parking | 142.0555(b), 143.0303, 143.0305, 143.0375 | NDP/Process Two |
| <i>Previously Conforming</i> Parking for a discontinued use | 142.0510(d)(4), 143.0303, 143.0305, 143.0375 | NDP/Process Two |
| <i>Mobilehome Parks</i> in RM Zones | 143.0303, 143.0305, 143.0340, 143.0375 | NDP/Process Two |
| <i>Mobilehome Parks</i> in RS, RX Zones | 143.0303, 143.0305, 143.0340, 143.0375 | SDP/Process Three |
| Discontinuance of <i>Mobilehome Park</i> | 141.0410-141.0440, 132.0801-132.0804, 143.0303, 143.0305, 143.0375, 143.0380 | SDP/Process Three |
| Multiple Dwelling Unit <i>Development</i> that Varies from Minimum Parking Requirements | 142.0525(b), 143.0303, 143.0305, 143.0375, 143.0380 | SDP/Process Three |
| Nonresidential <i>Development</i> (With TDM Plan) that Varies from Minimum Parking Requirements | 142.0525(b), 143.0303, 143.0305, 143.0375, 143.0380 | SDP/Process Three |
| Community Plan Implementation Overlay Zone | 132.1401-132.1405, 143.0303, 143.0305, 143.0375, 143.0380 | SDP/Process Three |
| Mission Trails Design District | 132.1201-132.1205, 143.0303, 143.0305, 143.0375, 143.0380 | SDP/Process Three |
| <i>Development</i> Within the Urban Village Overlay Zone | 132.1101-132.1110, 143.0303, 143.0305, 143.0375, 143.0380 | SDP/Process Three |
| <i>Public improvements</i> on More Than 3,000 Feet of Frontage or Where City Standards Do Not Apply | 142.0601-142.0670, 143.0303, 143.0305, 143.0375, 143.0380 | SDP/Process Three |
| Manufactured Slopes in Excess of 25% Gradient and 25 Feet in Height | 142.0101-142.0149, 143.0303, 143.0305, 143.0375, 143.0380 | SDP/Process Three |

| Type of Development Proposal | Applicable Sections | Required Development Permit/Decision Process |
|---|---|--|
| Affordable Housing in RE, RS, RX, RT, AR Zones | 143.0303, 143.0305, 143.0310, 143.0320, 143.0375, 143.0380, 143.0710-143.0740 | SDP/Process Three |
| Affordable Housing with Transfer of Density Bonus | 143.0303, 143.0305, 143.0310, 143.0320, 143.0375, 143.0380, 143.0750 | SDP/Process Three |
| Affordable Housing with Deviations from Density Bonus or Affordable Housing Provisions Development Regulations | 143.0303, 143.0305, 143.0310, 143.0320, 143.0375, 143.0380, 143.07650 | SDP/Process ThreeFour |
| Multiple Dwelling Unit Development in RM Zones Involving Lot Consolidation and Exceeds Number of Units Indicated in Table 126-05A | 143.0303, 143.0305, 143.0310, 143.0320, 143.0375, 143.0380 | SDP/Process Three |
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| Clairemont Mesa Height Limit Overlay Zone | 132.0401-132.0406, 143.0303, 143.0305, 143.0375, 143.0380 | SDP/Process Five |

Legend to Table 143-03A

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| NDP | NDP means Neighborhood Development Permit |
| SDP | SDP means Site Development Permit |

SEC. 143.0710 - Purpose of Affordable Housing Density Bonus Regulations

The purpose of these regulations is to provide increased residential densities to developers who guarantee that a portion of their ~~housing~~ residential *development* will be available ~~affordable by persons of to low income, very low-income, or moderate income~~ senior households. ~~The affordable housing density bonus is~~ The regulations are intended to materially assist the housing industry in providing adequate and affordable shelter for all economic segments of the community and to provide a balance of housing opportunities for *low income, very low-income, and moderate income* persons ~~senior households~~ throughout the City. It is intended that the affordable housing ~~density density~~ bonus and any additional development incentive be available for use in all residential developments ~~development~~, using criteria and

standards provided in the Progress Guide and General Plan, as defined by the San Diego Housing Commission. It is also intended that these regulations ~~affordable housing density bonus~~ implement the provisions of ~~the California Government Code, Chapter 4.3 of Division 1 of Title 7~~ Sections 65915 through 65918.

SEC. 143.0715 - When Affordable Housing Density Bonus Regulations Apply

(a) This division applies to any residential *development* of five or more dwelling units where an *applicant* proposes *density* beyond that permitted by the applicable zone ~~is proposed in~~ exchange for a portion of the total dwelling units in the *development* being reserved for ~~through a formal agreement for persons or families of low or very low-income households or for senior citizens or qualified residents through a written agreement~~ ~~moderate income~~.

(b) An applicant proposing development as provided in Section 143.0715(a) shall be entitled to a density bonus as provided in Sections 143.0720 and 143.0730 and may be granted an additional development incentive as provided in Section 143.0740.

SEC. 143.0720 - Affordable Housing Density Bonus Agreement

(a) An applicant shall be entitled to a ~~The affordable housing density bonus shall be~~ extended to all for any residential development for which an agreement ~~has been~~ is entered into by the *applicant* and the Chief Executive Officer ~~Director~~ of the San Diego Housing Commission as provided in Section 143.0720(b).

(b) The ~~affordable housing~~ density bonus agreement shall include the following provisions:

(1) With respect to rental housing affordable units:

(A)(1) at least 20 percent of the pre-bonus~~total~~ units in the *development* will be affordable, including an allowance for utilities, to ~~by persons and families of low-income~~ households at a rent that does not exceed 30 percent of ~~60 percent of area median income, as~~ adjusted for assumed household size; or moderate incomes;

(B) at least 10 percent of the pre-bonus units in the *development* will be affordable, including an allowance for utilities, to *very low-income* households at a rent that does not exceed 30 percent of 50 percent of area median income, as adjusted for assumed household size; or

(C) at least 50 percent of the total units will be available to senior citizens or qualifying residents as defined under California Civil Code section 51.3.

(2) With respect to "for sale" housing affordability shall be determined based on prevailing underwriting standards of mortgage financing available for the *development*, which shall include a forgivable second, silent mortgage, as administered by the Housing Commission.
At least 20 percent of the pre-bonus units in the development shall be available to *low-income* purchasers or 10 percent of the pre-bonus units shall be available to *very low-income* purchasers or at least 50 percent of the pre-bonus units in the *development* shall be available to senior citizens or qualifying residents as defined under California Civil Code section 51.3.

(23) The affordable units will remain available ~~to~~ and affordable as provided in Section 143.0720 ~~by persons and families of low income or moderate income~~ for a period of at least 230 years if an additional development incentive is granted to the applicant as provided in Section 143.0740 or 10 years if an additional development incentive is not granted. If an applicant does not request an additional development incentive, the applicant shall submit a pro

forma analysis for the Chief Executive Officer of the Housing Commission to document project feasibility.

(4) The affordable units shall be designated units which are comparable in bedroom mix and amenities to the market-rate units in the *development* and are dispersed throughout the *development*.

(5) Provision shall be made for certification of eligible tenants and purchasers, annual certification of property owner compliance, and payment of a monitoring fee, as adjusted from time to time, for monitoring of affordable unit requirements.

~~(3) The units affordable by persons and families of low income or moderate income shall be identified and described.~~

SEC. 143.0730 - Density Bonus Provisions

A residential development proposal requesting an affordable housing *density* bonus ~~shall~~ be is subject to the following:

(a) The ~~development~~ affordable housing density bonus shall be permitted a density bonus of the amount of units requested by the *applicant*, up to a total project dwelling unit count of ~~up to~~ 125 percent of the units permitted by the *density* regulations of the applicable base zone.

(b) through (d) [No change.]

(e) Where the *development* consists of two or more noncontiguous parcels lying within two or more community planning areas, the dwelling units reserved at levels affordable by *low-income* or *very low-income* households shall be distributed among community planning

areas in the same proportion as the total number of dwelling units constructed within the development.

SEC. 143.0740 - Affordable Housing Provisions

~~—— (a) — The number of dwelling units reserved for purchase or rent at prices affordable by persons and families of low income or moderate income shall equal or exceed the number of bonus units constructed within the development.~~

~~—— (b) — Where the development consists of two or more noncontiguous parcels lying within two or more community planning areas, the dwelling units reserved at prices affordable by persons and families of low income or moderate income shall be distributed among community planning areas in the same proportion as the total number of dwelling units constructed within the development.~~

SEC. 143.0740 - Additional Development Incentive for Affordable Housing

In accordance with the provisions of Government Code Section 65915, the City may grant a development incentive in addition to the 25 percent density bonus. The additional development incentive may consist of the following:

(a) a density bonus of more than 25 percent;

(b) a financial incentive consisting of:

(1) fee reductions or deferrals as authorized for affordable housing in the Municipal Code; or

(2) direct financing assistance from the Housing Commission, Redevelopment Agency, or other public funds, if authorized by the applicable agency on a case-by-case basis, or

(c) a deviation from applicable *development* regulations of the underlying zone pursuant to Section 143.0750.

~~SEC. 143.0750 Transfer of Bonus Density Units~~

- ~~(a) Within any *development* involving an affordable housing density bonus where the transfer of *density* rights between either contiguous or noncontiguous parcels is proposed, a Site Development Permit is required.~~
- ~~(b) When a transfer of *density* rights would result in a *development* on any parcel exceeding 125 percent of the units permitted by the *density* regulations of the applicable zone, the approval of a Site Development Permit shall require that the *findings* in Section 126.0504(l) be made.~~
- ~~(c) If a hearing results in denial of transfer of *density* to a particular parcel and a *construction permit* has already been issued on its companion parcel, the *density* of which is being reduced, the *applicant* shall, for a period of 12 months from the date of the denial, be entitled to submit one or more substitute parcels to the hearing process to complete the *development* for purposes of *density* bonus transfer to the substitute parcel.~~

SEC. 143.0750 Deviation to Allow for Additional Development Incentive

An applicant may request a deviation from the applicable development regulations as an additional development incentive for affordable housing pursuant to a Site Development Permit decided in accordance with Process Four provided that the *findings* in Section 126.0504(a) and

the supplemental *findings* in Section 126.0504(l) are made.

PD:cdk

05/12/99

Or.Dept:Plan.&Dev.Rev.


O-99-84

**HCD Comments on Coastal Commission 10/27 Draft Staff Report
on San Diego's LCP Amendment No. 3-2000**

The 10-27 draft report continues an evident hostility to feasible density bonus projects reflected in the earlier staff reports. The proposed changes to the City's application do little to reduce the burdensome requirements faced by density bonus applicants in the City's coastal zone. For the reasons summarized below, we believe that the revised staff proposal does not address the earlier concerns the City and we have raised.

- Overall, the amendments proposed to the City's LCP ignore the mandate in Section 30007 of the Public Resources Code that nothing in the Coastal Act shall exempt localities from meeting their obligations relating to housing imposed by state or federal law.
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- The requirement that a project design be "most protective of coastal resources" is both too broad and too absolute for a sustainable finding that in essence must conclude that no other design would be more protective of coastal resources. Any such finding would be vulnerable to a legal challenge which could pose any hypothetical project design, regardless of its feasibility, might in some way reduce the impact on coastal resources. This requirement would frustrate the typical process of negotiation between developer and local government regarding the use of incentives that both assist the project feasibility and minimize the impact of the project.
- The "most protective" criteria ignores State law expressing the intent of the legislature that the density bonus or other incentives "contribute significantly to the economic feasibility" of the proposed housing development. Government Code Sec. 65917. In effect this finding would have protection of coastal resources always prevail over other important state policies and goals set forth in the State Density Bonus Law without any attempt at balancing the two.
- The term "coastal resources", apparently nowhere defined currently, as such could not form a valid basis for a finding as is proposed.
- We have pointed out earlier that the hypothetical calculation of a 25% density bonus is incorrect (should be 4 instead of 3 bonus units), as in the example cited, a density bonus of "at least 25%", as required by GC 65915, should not be rounded down, despite otherwise applicable rounding conventions.
- The staff report proposes amendments which, by imposing overly-burdensome constraints, will ensure that the City will never have an opportunity to exercise any discretion to encourage the effective use of the density bonus statute. The complexity and uncertainty of the process as proposed would discourage developers from pursuing it and the City from approving an application. This is contrary to the legislative intent of State Density Bonus Law, which provides that "local governments must offer the private sector incentives for the development of affordable housing."
- While the draft staff report acknowledges that the Commission may only reject a proposed amendment to a LCP on the grounds that they do not conform with, or are inadequate to carry out, the certified LCP, the analysis does not support a conclusion that the City's proposed amendment would fail to do so.

HCD: 10/31/00

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| EXHIBIT NO. 6 |
| APPLICATION NO |
| LCPA 3-2000 |
| Comments from HCD |
|  California Coastal Commission |