

**THE COMMITTEE ON LAND USE AND HOUSING
OF THE CITY COUNCIL OF THE CITY OF SAN DIEGO**

**ACTIONS FOR
WEDNESDAY, SEPTEMBER 17, 2003, AT 2:00 P.M.**

**COUNCIL CHAMBERS (12TH FLOOR), CITY ADMINISTRATION
BUILDING
202 C STREET, SAN DIEGO, CALIFORNIA**

For information, contact Gina Clark-Bellak, Council Committee Consultant
202 C Street, 3rd Floor, San Diego, CA 92101
Email: gclark@sandiego.gov
619-533-3920

COUNCIL COMMENT

ACTION: None received.

NON-AGENDA PUBLIC COMMENT. Bob Caswell and Bill Mitchell regarding the Cabrillo Kennel Club of San Diego requesting a Temporary Permit to conduct a dog show at the Polo Grounds, Villa De La Valle and El Camino Real. The request was referred to the City Manager.

ITEM-1: Report from the City Manager regarding AFFORDABLE HOUSING TASK FORCE RECOMMENDATIONS.

(Continued from the meeting of September 3, 2003.)

(See CMR 03-179; Councilmember Atkins' September 8, 2003, memo; San Diego County Data)

ACTION: Motion by Councilmember Atkins, second by Councilmember Frye to reconsider Task Force Recommendations 2.b.i (increase Redevelopment Agency set-aside from 20% to 35% for a total of \$17,500,000 per year) and 2.b.iii (re-establishing the Housing Trust Fund Commercial Fee to its original level for a total of \$7,000,000 per year) and recommend these items return to the Land Use and Housing (LU&H) Committee for further consideration. These two recommendations had previously been forwarded to the Rules, Finance, and Intergovernmental Relations (Rules) Committee by the LU&H Committee at the September 3, 2003, meeting. The Committee supported still forwarding Task Force

ACTIONS
Committee on Land Use & Housing
September 17, 2003

- 2 -

Recommendations 2.d.i (increasing the Transient Occupancy Tax from 10.5% to 12.5% for increased revenue of \$21,000,000) and 2.d.ii (creating the equivalent of a 5% car rental tax for increased revenue of \$40,000,000) to the Rules Committee, as previously approved at the September 3, 2003, LU&H Committee meeting.

VOTE: 4-0; Peters-yea, Zucchet-yea, Atkins-yea, Lewis-not present, Frye-yea

ACTION: Motion by Councilmember Atkins, second by Councilmember Frye to defer forming a citizen task force to identify top priority facilities to be constructed in each community and to develop a strategy for the two tax increases in conjunction with the infrastructure bond. The formation of a new task force was deferred to enable the City's Planning Department to continue their work with Planning Groups to identify community facility needs as part of the ongoing Strategic Framework Element work program.

VOTE: 4-0; Peters-yea, Zucchet-yea, Atkins-yea, Lewis-not present, Frye-yea

ACTION: Motion by Councilmember Atkins, second by Councilmember Frye to accept the City Manager's Comments for Recommendation 3.f to review Development Impact Fees (DIFs) for urbanized communities.

VOTE: 4-0; Peters-yea, Zucchet-yea, Atkins-yea, Lewis-not present, Frye-yea

ACTION: Direction was given to the City Attorney to return to the LU&H Committee with a report analyzing Task Force Recommendation 3.g, which proposes creating an infrastructure bank where builders may opt to leave existing alleys which are paved with asphalt and pave an unpaved alley with either concrete or asphalt in the same community.

ACTION: Direction was given to staff to begin voluntary discussions and outreach with communities to discuss density issues and moving forward with a \$1 billion infrastructure bond. There was no support from the Committee to move forward with Task Force Recommendation 4.a which would have directed each Community Planning Group to designate sites for 2,500 multi-family units over the next two and a half years in order to be eligible to receive infrastructure funding under the bond package.

ACTIONS
Committee on Land Use & Housing
September 17, 2003

- 3 -

ACTION: Motion by Councilmember Atkins, second by Chair Peters to approve Task Force Recommendations 10.a (the Inclusionary Housing Ordinance should exempt projects of 4 units or less); 10.e (allow developers to self-certify the eligibility of buyers of units qualifying for the 150% Area Median Income for-sale housing exemption for inclusionary housing); 10.f (the City Council should evaluate the Housing Commission administration fee annually to ensure it is consistent with actual staff requirements; and 10.g (support legislative initiatives to protect local inclusionary housing ordinances).

VOTE: 4-0; Peters-yea, Zucchet-yea, Atkins-yea, Lewis-not present, Frye-yea

ACTION: Motion by Councilmember Atkins, second by Chair Peters to approve Task Force Recommendation 10.b to continue to allow all projects, including “large-scale development” to pay in-lieu fees for affordable housing.

VOTE: 3-1; Peters-yea, Zucchet-yea, Atkins-yea, Lewis-not present, Frye-nay

ACTION: Motion by Councilmember Atkins, second by Chair Peters to support Task Force Recommendation 10.c for the structure of the shared-equity for the for-sale inclusionary housing units be changed from a 15-year buy-in period to a 30-year, straight-line amortization of the share in equity and that 3% simple interest be applied annually to the “price differential” between the initial purchase price and the appraised value at the time of purchase.

VOTE: 4-0; Peters-yea, Zucchet-yea, Atkins-yea, Lewis-not present, Frye-yea

ACTION: The LU&H Committee failed to approve Task Force Recommendation 10.d which would have modified the geographic areas for off-site construction of inclusionary housing units to allow off-site units to be constructed within a 4-mile radius of the primary project rather than only locations within the same community planning area as the primary project.

VOTE: 2-2; Peters-yea, Zucchet-yea, Atkins-nay, Lewis-not present, Frye-nay

ITEM-2: Report from the City Manager regarding SINGLE ROOM OCCUPANCY HOTELS (SROs).

ACTIONS
Committee on Land Use & Housing
September 17, 2003

- 4 -

(See CMR 03-187)

ACTION: Motion by Councilmember Atkins, second by Councilmember Lewis to approve the City Manager's recommendation to adopt the Residential Hotel Work Plan and direct staff to proceed with the preparation of amendments to pertinent ordinances and other documents and to return to the Land Use and Housing Committee for their review. The Committee Members urged staff to expeditiously bring the ordinance and other documents back to the Committee.

VOTE: 5-0; Peters-yea, Zucchet-yea, Atkins-yea, Lewis-yea, Frye-yea

ITEM-3: Report from the City Manager regarding CONDOMINIUM CONVERSIONS.

(See CMR 03-186; S. Gail Goldberg's September 12, 2003, memo; Craig K. Beam's September 2, 2003, and September 17, 2003, letters; Peter Valleau's report; Market Pointe's information)

ACTION: Motion by Councilmember Atkins, second by Councilmember Zucchet to adopt the City Manager's recommendations with one amendment to recommendation number 2. The motion directed staff to:

- A. Prepare an ordinance to require that when the rental vacancy rate is below 7%, condominium conversion applicants provide a relocation/down payment assistance payment of three months current rent to residents of units being converted who earn less than the Average Median Income (AMI).
- B. Direct preparation of an amendment to the Inclusionary Housing Ordinance to apply the City's recently adopted inclusionary housing provisions to condominium conversions, requiring applicants for conversions to either offer 10% of the converted units at a price affordable to residents earning 100% or less of AMI, provide the same number of affordable units at an off-site location or pay an in-lieu fee. Converted units *regardless of size* being sold for less than 150% of AMI would be exempt from any inclusionary requirement.
- C. Assure units undergoing conversion meet all applicable

ACTIONS
Committee on Land Use & Housing
September 17, 2003

- 5 -

local and State building and zoning regulations. Chair Peters stated, for the record, his reservations with regards to recommendation number 2, noting while he favored moving the item forward as part of the motion, he may not support the item at City Council.

VOTE: 4-0; Peters-yea, Zucchet-yea, Atkins-yea, Lewis-not present, Frye-yea

Scott Peters
Chair