

RESOLUTION NUMBER R- 309252

DATE OF FINAL PASSAGE OCT 14 2014

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO RECEIVING A REPORT, PROVIDING DIRECTION, AND REQUESTING ANALYSIS RELATED TO POTENTIAL FUTURE AMENDMENTS TO THE SAN DIEGO MUNICIPAL CODE CONCERNING THE HOUSING IMPACT FEE AND RELATED MATTERS.

WHEREAS, on March 4, 2014, the San Diego City Council (City Council) introduced an ordinance that repealed amendments to San Diego Municipal Code, Chapter 9, Article 8, Division 6: "Housing Impact Fees on Commercial Development" (Housing Impact Fee Ordinance); and

WHEREAS, on that date, the City Council also directed the San Diego Housing Commission (SDHC) to negotiate with a citizens' group called the Jobs Coalition (Coalition) concerning the potential future amendment of the Housing Impact Fee Ordinance; and

WHEREAS, representatives of the SDHC and Coalition met numerous times over the next several months in an effort to come to a compromise concerning the Housing Impact Fee Ordinance and related matters; and

WHEREAS, on July 17, 2014, the City Council's Smart Growth & Land Use Committee (SG&LU) considered an item entitled "Proposed Workforce Housing Plan (Housing Impact Fee Municipal Code Amendments and Related Matters)"; and

WHEREAS, on that date, representatives of the SDHC appeared to describe the status of the negotiations and the SDHC reported that the Coalition and the SDHC had come to an agreement concerning the Housing Impact Fee Ordinance and related matters; and

WHEREAS, the agreement between the SDHC and the Coalition is memorialized in a Memorandum of Understanding (MOU); and

WHEREAS, at the July 17, 2014 meeting, SG&LU requested information from the Office of the Mayor and Independent Budget Analyst (IBA); and

WHEREAS, on September 24, 2014, SG&LU considered the item again and received information from the Office of the Mayor and IBA, and the committee's action resulted in the item being forwarded to City Council without a recommendation; and

WHEREAS, implementation of some terms contained within the MOU between the SDHC and Coalition is subject to action by the City Council and the City Council reserves its full legislative discretion to consider whether to incorporate any term of the MOU into potential future amendments to the Municipal Code; and

WHEREAS, Councilmember Cole issued a memorandum dated October 2, 2014 that described a compromise proposal with the following terms, listed under the heading of "Proposed Municipal Code Updates":

(1) "Fee: Raise the Housing Impact Fee 100%, phased-in over three years, to the 1990 level (the level they were before they were cut in half in 1996). Phase-in period takes effect on January 1, 2015";

(2) "The Housing Impact Fee adjustment will not sunset";

(3) "Exempt manufacturing, warehouse, and nonprofit hospitals from the Housing Impact Fee for the purposes of economic development";

(4) "No adjustment to the fee levels for research and development construction, for the purpose of economic development"; and

(5) "Remove requirement for annual recommendation to the Council for revenue level update based on a construction cost index."

WHEREAS, the City Council invited public testimony concerning the Housing Impact Fee Ordinance and related matters; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the City Council acknowledges receipt of the SDHC's report regarding the status of the negotiations between it and the Coalition.

BE IT FURTHER RESOLVED, that the City Council requests that the SDHC, in conjunction with Councilmember Cole's office, bring forward a legislative proposal that is consistent with the "Proposed Municipal Code Updates" described in Councilmember Cole's October 2, 2014 memorandum and that is designed to address objections to the repealed Housing Impact Fee Ordinance, such that the SDHC may present the legislative proposal for the City Council's consideration.

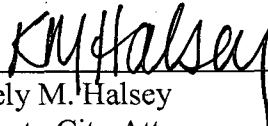
BE IT FURTHER RESOLVED, that the City Council requests that the City Attorney draft any associated Municipal Code amendments for Council's consideration no later than October 21, 2014.

BE IT FURTHER RESOLVED, that the City Council requests that the Office of the Mayor and IBA be prepared to provide analysis or information relative to such a legislative proposal.

BE IT FURTHER RESOLVED, that the City Council requests that the Office of the Mayor and SDHC bring forward actions related to reform and waiver as described in Councilmember Cole's memorandum dated October 2, 2014 under the heading "Additional Recommendations"; specifically that: (1) "[T]he Mayor consider the reform measures included in the proposed MOU between the [SDHC] and the [Coalition] and present a reform plan to the City Council"; and (2) "[The SDHC] propose a plan to improve the City's waiver process,

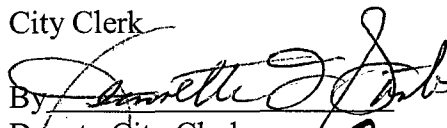
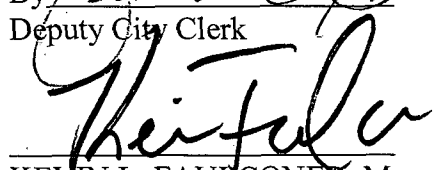
including strengthening the waiver process for high-wage employers, consistent with the August 2013 *Jobs-Housing Nexus Study* prepared for the City by Keyser Marston Associates, Inc.”

APPROVED: JAN I. GOLDSMITH, City Attorney

By   
Keely M. Halsey  
Deputy City Attorney

KMH:als  
10/01/14  
10/06/14 Rev. Copy  
Or.Dept: SDHC  
Doc. No.: 818382\_4

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of OCT 06 2014

ELIZABETH S. MALAND  
City Clerk  
By   
Deputy City Clerk  
  
KEVIN L. FAULCONER, Mayor

Approved: 10/14/14  
(date)

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on OCT 06 2014, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ed Harris	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Date of final passage OCT 14 2014

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

KEVIN L. FAULCONER  
Mayor of The City of San Diego, California.

ELIZABETH S. MALAND  
City Clerk of The City of San Diego, California.

(Seal)

By *Janette J. Smith*, Deputy

Office of the City Clerk, San Diego, California

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