

RESOLUTION NUMBER R- 312785
DATE OF FINAL PASSAGE DEC 26 2019

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO APPROVING AN ECONOMIC FEASIBILITY
ANALYSIS AND AN ADDENDUM TO ECONOMIC
FEASIBILITY ANALYSIS OF THE AMENDMENTS TO THE
SAN DIEGO MUNICIPAL CODE RELATING TO THE
INCLUSIONARY AFFORDABLE HOUSING REGULATIONS.

WHEREAS, in September 2017, Assembly Bill 1505, amending California Government Code sections 65850 and 65850.01, was adopted with the stated intent of “reaffirm[ing] the authority of local jurisdictions to include within these inclusionary housing ordinances requirements related to the provision of rental units”; and

WHEREAS, Government Code section 65850.01 authorizes the California Department of Housing and Community Development (HCD) to review an ordinance adopted after September 15, 2017, that requires as a condition of development of residential rental units, that more than 15 percent of the units be affordable to households earning 80 percent or less of the area median income if either: (1) the jurisdiction has failed to meet at least 75 percent of its regional housing need for the above-moderate income category; or (2) HCD finds that the jurisdiction has not submitted the required housing element report for at least two consecutive years; and

WHEREAS, the San Diego Housing Commission hired Keyser Marston Associates, Inc. to prepare a series of real estate financial feasibility analyses to evaluate the impact of alternative inclusionary housing requirements on market-rate residential development economics in San Diego relating to these proposed amendments; and

WHEREAS, based on these feasibility analyses, Keyser Marston Associates, Inc. prepared an Economic Feasibility Study dated June 27, 2019, evaluating proposed amendments

to the San Diego Municipal Code relating to the Inclusionary Affordable Housing Regulations that required as a condition of development of rental residential units, that ten percent of the units be affordable to households earning 50 percent or less of the area median income (Initial Amendments); and

WHEREAS, the Economic Feasibility Study was made available to the public on the City's website for 30 days prior to the Council's consideration of the Initial Amendments; and

WHEREAS, the Council of the City of San Diego adopted the Initial Amendments, but they were vetoed by the Mayor and did not take effect; and

WHEREAS, the Council is considering another ordinance amending the San Diego Municipal Code relating to the Inclusionary Affordable Housing Regulations (Ordinance); and

WHEREAS, the Ordinance is based on the Initial Amendments with additional changes, among which, if adopted, would require as a condition of development of residential rental units, that ten percent of the units be affordable to households earning 60 percent or less of the area median income; and

WHEREAS, Keyser Marston Associates, Inc. prepared an Addendum to Economic Feasibility Analysis dated October 9, 2019, evaluating the changes to the Initial Amendments proposed by City Council on October 15, 2019 and Keyser Marston Associates, Inc. has indicated that additional changes to the Ordinance, including phased implementation and less restrictive replacement alternatives will enhance feasibility of the Ordinance, if adopted; and

WHEREAS, the Addendum to Economic Feasibility Study was made available to the public on the City's website for 30 days prior to the Council's consideration of the Ordinance; and

WHEREAS, in accordance with Government Code section 65850.01, the Council held a public hearing on December 10, 2019, to consider the Economic Feasibility Study and the Addendum to Economic Feasibility Study; NOW, THEREFORE,

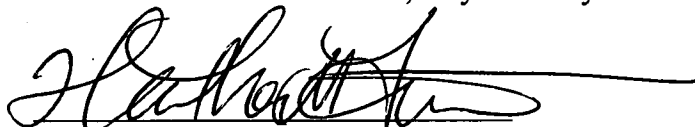
BE IT RESOLVED, by the Council of the City of San Diego:

1. The Council finds and determines that all recitals set forth in this Resolution are true and correct and fully incorporated herein by this reference.

2. The Council approves the Economic Feasibility Study and Addendum to Economic Feasibility Study prepared by Keyser Marston Associates, Inc. for the San Diego Housing Commission and finds that the proposed amendments to the San Diego Municipal Code relating to the Inclusionary Affordable Housing Regulations in combination with the proposed phase-in, incentives for on-site development, and range of alternatives, is economically feasible and would not unduly constrain residential development in the City or deprive property owners of a fair and reasonable return on their property.

APPROVED: MARA W. ELLIOTT, City Attorney

By



Heather M. Ferbert
Deputy City Attorney

HMF:soc
11/21/2019
Or.Dept: Council District 9
Doc. No.: 2212884

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of DEC 10 2019.

ELIZABETH S. MALAND
City Clerk

By *Linda Irwin*
Deputy City Clerk

Approved: _____
(date)

KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

(Note: This resolution was returned unsigned by the Mayor's Office to the Office of the City Clerk on December 26, 2019. Pursuant to the San Diego Charter Section 295(a)(2), the Mayor has 10 business days from the date the resolution was transmitted to sign or veto the resolution, said deadline being close of business on December 26, 2019. Therefore the date of expiration of that time shall be deemed the date of its final passage.)

Passed by the Council of The City of San Diego on DEC 10 2019, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Barbara Bry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Ward	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monica Montgomery	<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"/>
Chris Cate	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Georgette Gómez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage DEC 26 2019.

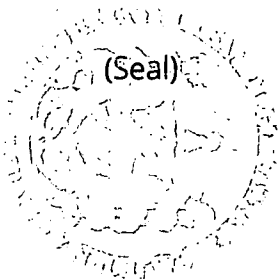
(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

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.

By Ginda Krwin, Deputy



Office of the City Clerk, San Diego, California

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