

DATE ISSUED: October 13, 2000

REPORT NO. 00-220

ATTENTION: Land Use and Housing Committee
Agenda of October 18, 2000

SUBJECT: Companion Unit Regulations

REFERENCE: Land Use and Housing Committee, May 10, 2000, Report P00-087

SUMMARY

Issue - Should the Land Use and Housing Committee direct staff to modify some provisions of the Companion Unit regulations to encourage applications for companion units, while retaining the same level of discretionary review?

Manager's Recommendation - Direct the Manager to process revisions to Land Development Code (LDC) Section 141.0302 to remove certain provisions outlined in this report, but still consider their approval on a case-by-case basis through a Process Three Conditional Use Permit.

Other Recommendations - Recommendations from recognized Community Planning Committees and other groups would be solicited prior to public hearings to amend the LDC.

Fiscal Impact - None with this action.

BACKGROUND

Companion units (sometimes known as “granny flats” or “second units”) are used by many jurisdictions in California as a source of low-income housing, housing for extended families, or as a way to maintain home ownership. The state Government Code mandates that all jurisdictions in the state adopt an ordinance that has “the effect of providing for the creation of second units” and that the “requirements are not so arbitrary, excessive, or burdensome so as to unreasonably restrict the ability of homeowners to create second units in zones in which they are authorized by local ordinance.” The Government Code contains provisions that are to be used if a jurisdiction does not adopt its own ordinance.

The City of San Diego adopted a companion unit ordinance in 1984. The City’s regulations address physical design, occupancy, and citywide and community impacts. Significant provisions in the ordinance are: applications for companion units are only accepted when the rental vacancy rate is less than 5%; no companion units in the Coastal Zone; and occupancy of the companion unit or primary unit on the site is limited to two persons one of whom is related to the owner, or a senior citizen, or a person with a disability. The vacancy rate fell below 5% for the first time in 10 years in 1998, yet there have been only two companion unit applications in the last two years.

In May 2000, the Land Use and Housing Committee asked staff to propose changes to the

ordinance that could broaden the occupancy of the companion unit, for example, to caregivers.

In July 2000, the City Council, during the consideration of the Housing Element, suggested that companion units may provide an option to expand greatly needed housing opportunities.

DISCUSSION

This discussion focuses on the regulatory issues addressed in the companion unit regulations and how they might be changed to allow some increase in the number of approvals sought. Existing regulations are found as Attachment 1 to this report.

Physical Design

The regulations of Section 141.0302(e)-(q) address all aspects of physical development of the companion unit on the site. They are intended to result in a companion unit that fits with neighborhood character by limiting size and requiring parking. These requirements are typical of those found in other ordinances and in the Government Code. No change is recommended to these regulations.

Occupancy

The occupancy requirements are found in 141.0302(r). The content of (r)(1) - allowing only rental or lease of the companion unit - and (r)(2) - requiring owner occupancy of the primary or companion unit - are typical of other ordinances, and are also identified in state law as being appropriate. The provision (r)(3) - requiring the occupants of the companion unit to be related to the owner, a senior citizen, or a person with a disability - is probably an obstacle to some property owners who might otherwise apply for a companion unit. This provision could be amended or eliminated. Many jurisdictions do not go beyond the state law provisions (City of Daly City, City of Escondido, City of Oakland, City of Poway, City of Temecula). Other cities allow occupancy by low income persons (City of Carlsbad, City of San Dimas, County of Santa Cruz) or care-givers (City of Santa Monica). A change is recommended to these provisions to eliminate or modify (r)(3).

Community and Citywide Impacts

The community and citywide impacts are discussed in 141.0302(a) - (d).

The requirement that the rental vacancy rate be below 5% in order to accept and process companion unit Conditional Use Permits (CUPs) was the reason no companion unit applications were processed between 1986 and 1998. Elimination of this restriction would allow continued discretionary consideration of applications for companion units, even if the vacancy rate rises about 5%.

There is a requirement that companion units be limited to of 5% of the number of single

dwelling units in a community. Since 1998, only two applications have been received, so the 5% limit is unlikely to be reached in the near future.

There has also been discussion at Land Use and Housing Committee, based on the ordinance criteria, about whether companion units should be allowed in communities where public facilities and services do not meet General Plan standards. Planning Reports P98-071 and P00-087, both addressed to the Land Use and Housing Committee, proposed that the CUP applications be considered on a case-by-case basis as long as construction of new single dwelling units is allowed.

Companion units are prohibited in the Coastal Zone. It is difficult to accommodate affordable housing in the Coastal Zone. Companion units may be one way to provide for the needed units.

CONCLUSION

There are provisions contained in the existing regulations that could be modified or eliminated that would encourage more applications for companion units. Staff recommends no change to the discretionary decision process (Process Three Conditional Use Permit) even though the process typically costs at least several thousand dollars. Companion units are still a new form of housing in San Diego, and review by staff and the community is beneficial to assure community character and to minimize impacts. Staff also recommends that an annual report on the number of companion unit applications, hearings, and approvals be provided to the City Council annually. This could be in April of each year with the Determination of Vacancy Rate required by the Land Development Code if the 5% vacancy rate restriction is retained.

The provisions that could be eliminated or modified are one or more of the following:

- the 5% vacancy rate restriction
- the adequate public facilities and services requirement

the limit on the number of companion units to 5% of single dwelling units in a community
the Coastal Zone prohibition
the occupancy limitation to only relatives, senior citizens, of persons with disabilities

An ordinance that removed all of the above-stated restrictions would be very similar to that proposed in the Final Draft of the Land Development Code in 1996 which was modified after there was public opposition to removal of the above-stated restrictions.

Respectfully submitted,

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City Planner

Approved: George I. Loveland
Assistant City Manager

SGG/BAM

Attachment 1: Adopted Land Development Code Section 141.0302 - Companion Units

Note: The attachment is not available in electronic format. A copy is available for review in the Office of the City Clerk.