

DATE ISSUED: June 12, 2003

REPORT NO. 03-129

ATTENTION: Land Use and Housing Committee
Agenda of June 18, 2003

SUBJECT: Affordable Housing Recommendations

SUMMARY

Issue - Should the City Council accept the report of the Affordable Housing Task Force and direct the City Manager to report back in one month with a detailed analysis of each recommendation?

Manager's Recommendation – Accept the report of the Affordable Housing Task Force and direct the City Manager to report back in one month with a detailed analysis of each recommendation.

Other Recommendations - None.

Fiscal Impact – There is no fiscal impact with this action.

BACKGROUND

On August 6, 2002, the San Diego City Council dedicated the day to the topic of affordable housing. As a result of a short supply and rapidly escalating prices and rents for housing, the City Council declared a “State of Emergency Due to Severe Shortage of Affordable Housing in the City of San Diego” on that day. One direction given to the City Manager on this date was to form an Affordable Housing Task Force with the charge that the Task Force return to the City Council within six months of their first meeting to provide recommendations to improve affordable housing options and strategies in the City of San Diego. The Task Force was asked to look at San Diego’s affordable housing crisis in a comprehensive manner and make recommendations for specific actions the City Council can take to address the City’s

housing issues.

In December 2002, the City Manager initiated the Affordable Housing Task Force. The Task Force includes 20 experts from a wide variety of fields representing varied interests and perspectives in the City, including persons representing community organizations and planning boards, housing and environmental advocates, charitable organizations, academics, affordable housing developers, realtors, apartment owners, business and labor. A list of Task Force members can be found in Attachment 1.

The Task Force met on December 10, 2002 and formed four subcommittees to address the following issues:

- Committee 1 - Goals for Housing Production;
- Committee 2 - Development, Regulations, and Incentives;
- Committee 3 - Financing and Revenue; and
- Committee 4 - Homeowners, Renters, and Preservation Issues.

Task Force members attended several public meetings to elicit input on issues and solutions that should be explored by the Task Force. On January 31, 2003, committee members attended the San Diego Housing Commission, on February 20 the Planning Commission and on February 25, the Community Planners Committee. The Task Force also received a significant amount of input from a wide range of sources, including the Apartment Association, the Disabled Access Center, the Tenant's Legal Center and various staff.

DISCUSSION

The Affordable Housing Task Force examined data and analysis from a variety of sources that have attempted to quantify the housing shortage and the unmet need for overall housing supply and affordable housing in the San Diego region. The most recent and comprehensive studies on this topic have been produced by the University of San Diego Real Estate Institute's Professors Alan Gin and Andrew Allen, whose study was commissioned by the Building Industry Association. The Task Force heard presentations from and reviewed reports by Professors Gin and Allen as well as recent housing need estimates from SANDAG and the California Department of Housing and Community Development (HCD).

After reviewing all the available information, the Task Force decided to adopt an estimate of housing need for the next ten years based equally on anticipated population growth and anticipated employment growth as recommended by Professor Allen. The total housing need figure adopted for the 2003-2013 period is 113,696 units, of which 32,275 are past unmet need and 81,421 are projected future need during the next ten years.

The Task Force determined that it is an unrealistic expectation for San Diego to entirely meet its housing need during the next ten years. Therefore, they adopted a somewhat more modest overall housing goal of 84,147 units for that period. This figure was calculated by adopting

the highest of three different annual housing need estimates from HCD, extrapolating that figure for ten years and making an assumption that 44% of regional housing needs should continue to be met within the City of San Diego. (Approximately 44% of housing units in the region are currently located within the City.)

The Task Force also adopted the following housing production goals for individual segments of the population based on the area median income (AMI) of \$60,100 for a family of four:

Percentage of AMI	Income Category	Percent of Goal	Number of Units
<50%	Extremely low	21%	17,671
50-80%	Very low	17%	14,305
80-120%	Low	19%	15,987
120%+	Moderate and above	43%	36,183

This breakout is in accordance with SANDAG projections of future housing needs in San Diego.

Therefore, the Task Force has made recommendations on development processes, financing, landlord/tenant issues and many other topics in order to achieve the goal of having approximately 8,415 units produced in the City of San Diego each year for the next ten years, 3,197 of which should be for very low and extremely low income residents.

Attached in the Affordable Housing Task Force Executive Summary are the recommendations which the Affordable Housing Task Force finds are most urgently needed to intervene in the housing crisis in San Diego and achieve this production goal. Also included are the full reports of each of the four subcommittees of the Task Force with detailed information and background on research done, data analyzed and information considered for recommendation to the Task Force. The final series of attachments includes reference items submitted to the Task Force such as input from the public, articles of interest shared by Task Force members and presentations made by interested parties and guest speakers. This information will assist readers to understand the context of the Task Force's decisions.

CONCLUSION

The Task Force has recommended many resourceful actions that could be taken to alleviate the housing crisis in San Diego. The City Manager applauds each volunteer member of the Task Force for the dedication and time spent toward this end. The City Manager recommends that staff return to the Land Use and Housing Committee in one month with an analysis on the implications of each recommendation.

Respectfully submitted,



P. Lamont Ewell
Assistant City Manager

Attachments:

- [1. Affordable Housing Task Force Members and Subcommittees](#)
- [2. Executive Summary of Recommendations](#)
- [3. USD Real Estate Institute Report by Professor Andrew Allen](#)
- [4. Report of the Subcommittee on Development, Regulations and Incentives](#)
- [5. Report of the Subcommittee on Finance and Revenue](#)
- [6. Report of the Subcommittee on Homeowners, Renters, and Preservation Issues](#)
- [7. Letters and Presentations from Task Force Members, Members of the Public and Interested Parties](#)