

DATE ISSUED: June 9, 2004 REPORT NO. 04-127

ATTENTION: Land Use and Housing Committee
Agenda of June 16, 2004

SUBJECT: Density Bonus Regulations

REFERENCE: Land Use and Housing Committee Report No. 03-237

SUMMARY

THIS IS AN INFORMATION ITEM ONLY. NO ACTION IS REQUIRED ON THE PART OF THE COMMITTEE OR THE CITY COUNCIL.

BACKGROUND

On December 3, 2003, the Land Use and Housing Committee directed the Planning Department and the City Attorney to make revisions to draft Affordable Housing Density Bonus regulations (San Diego Municipal Code Chapter 14, Article 3, Division 7) and forward them to the Community Planners Committee, Housing Commission and Planning Commission for input and recommendations and then to the City Council for adoption.

The primary purpose of the draft revisions is to bring the City's density bonus regulations into conformance with state Density Bonus law. In addition, the Land Use and Housing Committee recommended adding a new City category of projects eligible for a density bonus and recommended revisions to the review process.

The draft Density Bonus regulations have been revised to reflect the previous input from the Land Use and Housing Committee and required environmental review documents are in process.

This issue had also been scheduled for an upcoming meeting of the Community Planners Committee.

DISCUSSION

Earlier this year, SB 1818 (Hollingsworth) was introduced in the State Legislature and is included in the City's legislative "watch" list. Senate Bill 1818 proposes a more comprehensive revision of Density Bonus law. If the new legislation is adopted, it will be necessary to make further substantial revisions to local density bonus regulations.

It is anticipated that legislative action will be taken in August. If SB 1818 passes, the governor will have until the end of September to sign it. Therefore, we should know the outcome by late summer or early fall.

Both the Governmental Relations Department and Housing California, a Sacramento-based affordable housing advocacy group that tracks housing legislation, estimate that SB 1818 has a better than 50 percent chance of adoption because it has gained support from the development community, realtors and housing advocates.

Following are the potential legislative outcomes, and the estimated impacts to the revision process of the draft Affordable Housing Density Bonus regulations:

Senate Bill 1818 Passes:

If the bill is adopted, it will be necessary to revise the draft local regulations and the environmental document. This could delay the process by about two months. It is anticipated that once the environmental review process is restarted, it will take approximately three to four months for this matter to go through the other review bodies and to reach the City Council.

Senate Bill 1818 Fails Passage:

If SB 1818 fails passage, we could immediately restart the environmental review process and take this matter through the review bodies and to Council by the end of this year.

CONCLUSION : If the new legislation is adopted, it will be necessary to make further substantial revisions to local density bonus regulations. Therefore, it is advisable to hold off on bringing the revised local regulations to the reviewing bodies and City Council until we learn whether or not SB 1818 is adopted. We should know the outcome by late summer or early fall.

Respectfully submitted,

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GOLDBERG/ WML