



March 6, 2023

County of San Diego
1600 Pacific Highway
San Diego, CA 92101

Re: Climate Action Campaign recommendations for the County Inclusionary Housing Ordinance

Dear Long Range Planning Division of the County Planning & Development Services Department,

Climate Action Campaign (CAC) is a non-profit organization, based in San Diego and Orange County, with a simple mission: stop the climate crisis through effective and equitable policy action.

The climate and housing crises are inextricably linked. We simply cannot solve the climate crisis without simultaneously solving the housing crisis. Building dense, affordable infill housing near transit, jobs, and green open spaces is key to slashing GHG emissions from the transportation sector and improving the quality of life for those living in the unincorporated area.

Increasing rents and home prices continue to push low and middle income households farther from major urban centers. Inequitable, dangerous, unsustainable, and expensive sprawling areas cannot be the only places families can afford to live. Working class communities should not be forced to make long daily commutes from high fire areas. The County must prioritize the development of housing in VMT efficient areas as defined by the adopted Transportation Study Guide (TSG) and in alignment with the intent of SB 743.

The County's Regional Housing Needs Allocation (RHNA) for the 2021-2029 planning period is 6,700 new dwelling units. However, as of April 2022, the County has only permitted 1,425 and constructed 1,061 new dwelling units. More specifically, the County permitted 46 and constructed 14 extremely low and very low income units, permitted 318 and constructed 78 low income units, and permitted 398 and constructed 191 moderate income units, but permitted 663 and constructed 778 above moderate income units. These numbers clearly signify the need for more very low, low income, and moderate income dwelling units to be developed.

For these reasons, below are our recommendations for the County Inclusionary Housing Ordinance (IHO):

Minimum Project Size For Ordinance Compliance:

We recommend that the County apply the ordinance to Option 1:

- General Plan Compliant Project: Apply the ordinance to projects proposing 5 or more units.
- General Plan Amendment Project: Apply the ordinance to projects proposing 1 or more units.

Set Aside Requirements:

To ensure that the IHO is prioritizing the development of dwelling units for all-income categories, we recommend the following set aside requirements for General Plan (GP) Compliant Projects - For Sale, General Plan Compliant Projects - For Rent, and General Plan Amendment Projects:

- General Plan Compliant – Sale: 5% Low + 10% Moderate: 24 market-rate, 2 low-income, and 4 moderate-income units
- General Plan Compliant – Rent: 5% Very-Low + 5% Low + 10% Moderate: 22 market-rate, 2 very-low, 2 low-income, and 4 moderate-income units
- General Plan Amendment: 10% Very-Low + 5% Low + 5% Moderate: 22 market-rate, 4 very-low, 2 low-income, and 2 moderate-income units

Alternative Compliance:

County action that increases land value through upzoning, density bonuses, and plan updates should be recaptured and used for public benefits. In this instance, increases in land value caused by a GP Amendment should be recaptured through developing affordable housing.

Therefore, **we recommend that alternative compliances only apply to the GP Compliant projects. GP Amendment projects must be required to provide IHO requisite affordable housing units.**

We support the following alternative compliance options for GP Compliant projects:

- **In-Lieu Fees.** We recommend that the in-lieu fee be restricted to projects 10 units or smaller. The fee must also be equivalent to the true full cost of producing on-site affordable housing units to ensure that the fee can be used to produce additional affordable housing units.
- **Rehabilitation of units.** In order to solve the housing crisis, the County must preserve and produce affordable housing. The rehabilitation of units can be a great tool to increase the County's existing affordable housing stock by turning existing market rate housing into deed restricted affordable housing units. The affordability of rehabilitated units must be of equivalent value to the IHO set-aside requirement. We recommend that this alternative compliance be restricted to projects 10 units or smaller and only apply to existing units located in VMT efficient areas and/or in a High Resource Area, within transit priority areas (TPAs).
- **ADUs:** The development of ADUs can help produce affordable housing in single-family neighborhoods and High Resource Areas, which traditionally have not been accessible

to lower-income families. We recommend that ADUs only be allowed as an alternative compliance for projects 10 units or smaller. The ADUs must also be deed restricted for a minimum of 65 years at 50% area median income (AMI) or lower.

However, we are **opposed** to the offsite development and land dedication alternative compliance options. To create economically diverse, mix-income, and inclusive communities, dedicated affordable housing units must be in the same development as market-rate units. Providing an option for affordable housing development to be off site could result in the concentration of poverty. This does not comply with the County's obligation to affirmatively further fair housing, which requires jurisdictions to adopt policies that take meaningful actions to combat discrimination, overcome patterns of segregation, and foster inclusive communities free from barriers that restrict access to living in certain areas.

Incentives:

We support the following incentive options within the IHO:

- Option 1: Expedited review for projects that provide all units as affordable housing, at 80% AMI or lower, for lower-income households
- Option 2: Expedited review for projects that provide an additional 50% of required affordable housing at 80% AMI or lower.

We also recommend that the County include these incentive options for projects subject to the IHO:

- For projects in VMT efficient areas, within TPAs, no parking requirements should be mandated.
- Apart from public safety, there should be no maximum building structure height for projects in VMT efficient areas, within TPAs, regardless of existing zoning.

Conclusion:

Thank you for the opportunity to weigh in on the development of this critically important document. We urge the County to consider these recommendations and use the IHO as a strategy to help combat the climate and housing crises, mitigate the symptoms of racial and economic segregation, and provide more access to opportunities for all in the unincorporated area.

Sincerely,

Madison Coleman

Madison Coleman

Policy Advocate

Climate Action Campaign