Community Planners Committee

Planning Department ● City of San Diego
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Tuesday, March 25th, 2025 4425 BANNOCK AVE. CLAIREMONT, 9117 REGULAR MEETING AGENDA

TIME: 6:15-8:15 p.m.

NOTE:

If a Sign Language interpretation or language translation services are required, please visit www.sandiego.gov/planning/translation to submit a request at least (3) three workdays prior to the meeting date to insure availability. Times assigned for each item are approximate. The order of agenda items may be modified at the beginning of the meeting at the discretion of the Chair. You can stream the meetings at this Zoom link: https://www.zoom.us/s/6263904190. Please note the Zoom link does not allow for participation, just streaming.

ITEM #1 - 6:15 CALL TO ORDER/MODIFICATIONS TO THE AGENDA/ROLL CALL

ITEM #2 - 6:20 NON-AGENDA PUBLIC COMMENT - 2 minutes per issue Identification of issues that are within the jurisdiction of the CPC, but not on the agenda. No discussion or action is permitted, except to establish

a subcommittee for study, or place the item on a future agenda.

- ITEM #3 6:30 APPROVAL OF MINUTES OF JANUARY 28th and FEBRUARY 25th, 2025
- ITEM #4 6:35 **ADU BONUS PROGRAM -** Heidi Vonblum of the Planning department issued a memo detailing possible changes to the ADU bonus program. The CPC will review the memo and make recommendations.
- ITEM #5 8:00 REPORTS TO CPC:
 - Staff Report
 - Chair's Report
 - CPC Member Comments
- ITEM #6 8:15 ADJOURNMENT



March 21, 2025

Andrea Schlageter, Chair Community Planners Committee Via Email to aeschlag@gmail.com

SUBJECT: UPDATE REGARDING PROPOSED CHANGES TO CITY ADU REGULATIONS RELATED TO

MARCH 25, 2025 COMMUNITY PLANNERS COMMITTEE AGENDA ITEM

Dear Ms. Schlageter:

On February 28, 2025, I distributed a memorandum to the San Diego City Council regarding the City's Accessory Dwelling Unit (ADU) Home Density Bonus Program (ADU Bonus Program), which outlined an approach to include reforms to the ADU Bonus Program as part of the Land Development Code Update process. On March 4, 2025, the City Council heard an item related to the ADU Bonus Program, and voted to 1) request that City staff return to Council within 90 days with an action item to remove applicability of the ADU Density Bonus program from the San Diego Municipal Code, conforming the local ADU Bonus Program to state-mandated ADU regulations for single-family zoned parcels in RS-1-1, RS-1-2, RS-1-3, RS-1-4, RS-1-8, RS-1-9, RS-1-10, and RS-1-11 zoned parcels, and 2) request the City Planning Department to bring forward revisions to the ADU Density Bonus program including, but not limited to, those provided in the February 28, 2025, memorandum to the Land Use and Housing Committee for consideration.

The Community Planner's Committee agenda for March 25, 2025 includes an item for discussion of my February 28, 2025 memo regarding the ADU Bonus Program. Since this item is on your upcoming agenda, I wanted to provide a brief update on the status of the proposed amendments, which are intended to ensure that the ADU Bonus Program's success with respect to providing affordable home options is consistent with the scale and character of San Diego's neighborhoods.

The City Planning Department plans to bring all proposed reforms related to ADU homes to the City Council as one action item as quickly as possible with anticipated Council action by June in order to meet the desired intent for swift action within 90 days. To address concerns raised regarding neighborhood scale, infrastructure and fire safety – and in line with the City Council's request for staff to propose revisions to the ADU Density Bonus Program – City staff will present a comprehensive package of ADU reforms to the City Council early this summer.

Proposed changes to the ADU Density Bonus Program currently include:

- **Address Infrastructure Needs:** Propose options to collect fees from ADU Density Bonus home builders to fund needed infrastructure, such as parks and libraries.
- **Development Scale:** Amend the applicability of the ADU Density Bonus Program by applying base zone height and overall allowable building area of a property in a manner that ensures ADU Density Bonus homes are similar in scale with the surrounding neighborhood.
- Parking: Apply parking requirements to ADU Density Bonus Program development outside of the Transit Priority Area. State law prevents the City from requiring parking inside the Transit Priority Area.
- **Compliance:** Increase fines for violations of the deed restriction for affordable rents on homes created through the ADU Density Bonus Program.
- Adequate Evacuation Routes: Eliminate the ADU Density Bonus Program's applicability in High and Very High Fire Hazard Severity Zones unless adequate emergency and evacuation routes exist.
- **Fire Code:** Apply fire code requirements for multifamily buildings to ADU Density Bonus Program developments, including fire sprinkler requirements.
- **Setbacks:** Align all ADU home setbacks to be consistent with fire code regulations related to brush management.

I want to thank you for your leadership in placing this item on the Committee's agenda and welcome the Committee's feedback from the discussion. I invite you to visit the Land Development Code Update webpage to learn more and sign up for updates, as well as to share ongoing feedback on the proposed amendments as they move forward for City Council consideration.

Sincerely

HEIDI VONBLUM, Planning Director

Enclosure: January 28, 2025 Memorandum to the San Diego City Council re Accessory Dwelling

Unit (ADU) Home Density Bonus Program

cc: Tait Galloway, Deputy Director, City Planning Department
Seth Litchney, Program Manager, City Planning Department
Marlon Pangilinan, Program Coordinator, City Planning Department
Liz Saidkhanian, Principal Planner, City Planning Department



THE CITY OF SAN DIEGO

MEMORANDUM

DATE: February 28, 2025

TO: Honorable Council President and Members of the City Council

FROM: Heidi Vonblum, City Planning Director

SUBJECT: Accessory Dwelling Unit (ADU) Home Density Bonus Program

The purpose of this memorandum is to provide an update to the City Council on the City Planning Department's efforts related to the City's Accessory Dwelling Unit (ADU) Home Density Bonus Program (ADU Bonus Program). Based on ongoing public feedback, the City Planning Department's regular monitoring of the Land Development Code, as well as recent Council office input, this memorandum outlines an approach to include reforms to the ADU Bonus Program as part of the 2025 Land Development Code Update, with opportunities for ongoing community and Council engagement.

Background

State law includes various requirements that cities and counties must comply with regarding the permitting of ADU homes. State law generally requires that up to 3 ADU homes be permitted ministerially in single-family zones and potentially up to 8 ADU homes in multifamily zones. Government Code § 66323(a)(1), (a)(2)(B), (a)(4)(A)). State law also requires cities and counties as part of their state required General Plan Housing Element to develop a program that incentivizes and promotes the creation of ADU homes offered at affordable rent for very low-, low- or moderate-income households. Government Code § 65583(c)(7).

State law also applies additional requirements related to ADU homes. A summary of state law requirements related to ADU homes compared to City of San Diego regulations is provided as Attachment 1 to this memorandum for the Council's information.

Existing ADU Bonus Program Requirements

In 2020, the San Diego City Council adopted the "Housing Legislative Package," which included, among other things, the addition of San Diego Municipal Code section 141.0302(c)(2)(H), which includes the ADU Bonus Program. The ADU Bonus Program generally allows additional ADU homes to be built in both single-family and multi-family zones in the Sustainable Development Area where, for every additional ADU home built, another one is built that is deed restricted for a period of 10 years (at very low- and low-

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income levels) or 15 years (at moderate-income levels), subject to certain limitations discussed below.

Pedestrian Path of Travel

The ADU Bonus Program applies in the City's Sustainable Development Area, meaning that there must be a pedestrian path of travel from a major transit stop to the project site to qualify. See San Diego Municipal Code section 113.0103. This means that under *existing* regulations, properties that lack sidewalks between a major transit stop and a project site are not eligible for the ADU Bonus Program.

Height and Floor Area Ratio

Under the ADU Bonus Program, the total development on a project site with an ADU home development must still comply with the base zone height and floor area ratio requirements. For a typical 5,000 square foot lot zoned RS-1-7, this means the entire ADU development and primary home could not exceed 30 feet in height or the 3,000 square foot maximum allowed floor area due to the 30-foot height limit and 0.6 floor area ratio¹ limit for the RS-1-7 zone. San Diego Municipal Code § 131.0446(a).

Development Impact Fees

Under the City's current development regulations, the first two ADU homes on any lot are exempt from the payment of Development Impact Fees (DIF), and under state law, the City may not impose any DIF on any ADU homes that are less than 750 square feet.

Existing ADU Bonus Program Data

The 2024 Annual Report on Homes contains the most recently verifiable data on the ADU Bonus Program, which shows that the City has permitted 239 ADU homes, of which 109 homes have been deed restricted at the moderate-income level, 3 homes at the low-income level, and 3 homes at the very low-income level. These developments have been permitted across the City, with the greatest amounts permitted in the College Area, Clairemont, North Park, Uptown, Otay Mesa-Nestor, and Southeastern San Diego community planning areas. The City Planning Department anticipates these numbers to be higher for 2024 but is currently reviewing and verifying the 2024 permitting data. In the coming weeks, we will be able to complete our review of all relevant 2024 data and provide a more comprehensive review and analysis of the ADU Bonus Program based on that data, including information such as whether DIF was paid, the scale of the developments, and where the ADU homes are located.

Recent Council Actions

On January 29, 2025, the City Council heard Item 33 for the removal of footnote 7 from Table 131-04D in the Land Development Code related to allowed regulations in the single-family RS-1-2 zone in the Encanto Neighborhoods and Southeastern San Diego community planning areas. Although that item did not involve any regulations related to ADU development, the City Council also voted to request that staff bring an item to the City Council to repeal the ADU Home Density Bonus Program within 60 days. A law firm subsequently notified the City that it alleged that the Council's motion violated the Brown Act. The item related to the removal of footnote 7 will be reheard by the City Council on March 4, 2025 including the rescission of the Council's January 29, 2025 actions.

¹ Floor area ratio means the numerical value obtained by dividing the gross floor area of all buildings on a premises by the total area of the premises on which the buildings are located. San Diego Municipal Code § 113.0103.

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Additionally, Council District 4 has placed an additional item on the March 4, 2025 Council agenda proposing to "request City Staff to return to City Council within 60 days with an action item to repeal the ADU Bonus Program from the San Diego Municipal Code, conforming the local ADU Bonus Program to state mandated ADU regulations for single-family zoned parcels."

Housing Element Certification

A wholesale repeal of the ADU Bonus Program would violate State housing laws in the absence of corresponding replacement regulations that incentivize and promote the creation of affordable ADU homes. A violation of State housing laws could result in the decertification of the City's adopted Housing Element by the Department of Housing and Community Development. Without a certified Housing Element, the City would be ineligible for State housing and homelessness funding opportunities and would be unable to deny certain development projects. Specifically, without a compliant Housing Element, the City would be ineligible for Permanent Local Housing Allocation (PLHA), Affordable Housing Sustainable Communities (AHSC), SB1 Planning grants, CalHOME funding, Infill Infrastructure Grants (IIG), Local Housing Trust Fund (LHTF), and Regional Transportation Funding. Additionally, the City's Prohousing Designation may be reconsidered by the state, which may carry funding eligibility consequences. Lastly, a Housing Element that is out of compliance may subject the city to Builder's Remedy laws.

Current City Planning Department Efforts

Prior to the January 29, 2025 Council hearing, based on our Department's ongoing monitoring of the City's Land Development Code, as well as feedback we have heard from the Council and members of the public, we had already identified potential reforms to the ADU Bonus Program, and had already intended to address these through the 2025 Land Development Code Update. We recently heard additional feedback from the Council offices, which have been very helpful in further developing a concept for reforms, which will be brought forward as part of the 2025 Land Development Code Update process. We welcome your ongoing feedback on these potential reforms, as well as on ongoing discussion on how we can best achieve other needed reforms, while still ensuring that the parts of the program that have been successful remain available and successful. The purpose of these reforms is to ensure that the ADU Bonus Program continues to incentivize affordable ADU homes while ensuring that it at the same time results in development that is compatible with the surrounding community and addresses project impacts. The following reforms are currently proposed:

Opt-in Fee: Work with the City Attorney's Office to identify options to impose an opt-in fee for ADU homes under 750 square feet for projects that choose to enter the ADU Bonus Program in lieu of DIF payments which are limited by state law. This would allow the City to collect an opt-in fee from the ADU bonus homes that are less than 750 square feet to fund needed infrastructure. This would also help to support the production of homes for families by removing an incentive to only build smaller units.

- <u>Development Scale</u>: Continue to limit the applicability of the ADU Bonus Program using the base zone height and floor area ratio requirements, and require the floor area ratio to be calculated based only on the land that is allowed to be developed outside of environmentally sensitive lands or other preserved open space and canyon lands. Additionally, reduce the ADU Bonus Program applicability in very low-density residential zones, such as RS-1-1, RS-1-2, RS-1-3, RS-1-8, RS-1-9 and RS-1-10 since such zones have not been comprehensively planned for increases in density and have typically been zoned for low density due to the constrained developability of the land in those instances.
- <u>Parking</u>: Apply multifamily parking requirements to ADU Bonus Program development outside of the Transit Priority Area. State law prevents the City from requiring parking inside the Transit Priority Area.
- <u>Compliance</u>: Increase the fines for violations of the deed restriction for affordable homes developed through the ADU Bonus Program. Currently, the San Diego Housing Commission can recover the amount charged above the affordable rent each month with 10 percent interest. This proposal would increase the penalty to a higher amount to further ensure that affordable homes built under the ADU Bonus Program are available for qualifying households.
- Adequate Evacuation Routes: Eliminate the ADU Bonus Program's applicability in High and Very High Fire Hazard Severity Zones unless adequate standards for fire prevention and fire rescue (ingress and egress) exist and unless the entirety of the evacuation route meets City streets standards and/or have sufficient emergency access.
- <u>Fire Code</u>: Apply fire code requirements for multi-family buildings to ADU Bonus Program developments. This would require fire sprinklers like multi-family buildings.
- <u>Setbacks</u>: Align all ADU setbacks to be consistent with fire code regulations related to brush management. This would provide greater clarity between the Land Development Code regulations and the Fire Code regulations regarding brush management and clear spaces.

Conclusion

As part of the 2025 Land Development Code Update process, we plan to share information on our webpage, hold public workshops, receive input, and then bring the item forward for a recommendation from the Community Planners Committee and Planning Commission, prior to presenting the item to Land Use and Housing Committee, and then the City Council. We estimate that this process will allow us to begin the hearing process this Summer. This process also includes having the State Department of Housing and Community Development review the proposed changes to the ADU Bonus Program.

The City Planning Department remains committed to working with the Council to bring forward reforms to the ADU Bonus Program that address community concerns related to infrastructure, scale, emergency and fire safety, and other areas of concern identified by the Council. While the ADU Bonus Program has seen great success in increasing new home

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opportunities, especially at the moderate-income level, it is always important to monitor the entirety of the implementation of a program to ensure that its outcomes best serve our City while still helping to meet our state mandated housing goals and affirm our commitment as a prohousing City.

We value the Council's feedback so we can work together to ensure continued opportunities for much needed affordable housing across our City, while also ensuring that the ADU Bonus Program results in development that is compatible with the surrounding community, ensures public safety and results in revenue to invest in necessary infrastructure in our communities. Along with this discussion, we look forward to ongoing discussions with the City Council on other ways to increase opportunities for much needed housing – particularly affordable housing in high resource areas.

As announced in the Mayor's State of the City address, the City Planning Department will be developing a new program to further the City's commitment to addressing the housing crisis and affirmatively furthering fair housing, specifically by proposing new Citywide zones that allow for more small-scale neighborhood home infill development in a manner that enhances the surrounding community.

If you have any questions, please let us know, and if you have any specific feedback, please continue to share that feedback as we bring the 2025 Land Development Code Update forward for Council consideration. As always, we welcome your ongoing feedback and input throughout the process.

Heidi Vonblum

City Planning Director

Attachment 1: Summary of ADU Regulations

cc: Honorable Mayor Todd Gloria

Honorable City Attorney Heather Ferbert
Paola Avila, Chief of Staff, Office of the Mayor
Nick Serrano, Deputy Chief of Staff, Office of the Mayor
Charles Modica, Independent Budget Analyst
Casey Smith, Deputy Chief Operating Officer
Matt Yagyagan, Director of Policy, Office of the Mayor
Christopher Ackerman-Avila, Senior Policy Advisor, Office of the Mayor
Kohta Zaiser, City Council Affairs Advisor, Office of the Mayor
Elyse Lowe, Director, Development Services Department
Chief Deputy City Attorney Corrine Neuffer
Deputy City Attorney Lauren Hendrickson
Tait Galloway, Deputy Director, City Planning Department

Seth Litchney, Program Manager, City Planning Department

ATTACHMENT 1 Summary of ADU Regulations

Summary of ADU Regulations			
ADU Regulation	CA State Law	SD Municipal Code	City of San Diego ADU Home Density Bonus Regulations
Number of ADUs Allowed Single Family Lots	Local regulations must allow at least one ADU constructed from existing inhabitable space, one newly constructed detached ADU, and one JADU.	More Restrictive than State Law - Only Allow One ADU and One JADU *Updating ADU regulations to be consistent	Exceeds State Law - Allows one additional ADU for every ADU set aside as affordable to moderate, very low, or low income households in Sustainable Development Area. Development must be consistent with base zone height, FAR, and lot coverage. One bonus ADU is permitted outside a Sustainable Development Area
Number of ADUs Allowed Multifamily Lots	Local regulations must allow 8 detached ADUs on a lot with an existing or proposed multifamily homes and at least one conversion ADU with an existing multifamily dwelling unit up to 25 percent of the number of units in the existing multifamily dwelling unit.	More Restrictive than State Law - Allow Two ADUs. *Updating ADU regulations to be consistent	Exceeds State Law - Allows one additional ADU for every ADU set aside as affordable to moderate, very low, or low income households in Sustainable Development Area. Development must be consistent with base zone height, FAR, and lot coverage. One bonus ADU is permitted outside a Sustainable Development Area
Height	Local regulations may not impose a height limit that is less than: - 18 feet for a detached ADU - 25 feet for a attached ADU	Exceeds State Law - Height Limit of Base Zone (most single family zones set 30' height limit)	Exceeds State Law - Height Limit of Base Zone
Setbacks	Front Setback: A local agency may apply front yard setbacks for ADUs, but front yard setbacks cannot preclude an ADU of at least 800 square feet from being built on the property. Side/Rear Setback: A setback of no more than four feet from the side and rear lot lines shall be required for an attached or detached ADU.	Consistent With State Law - Front setbacks of base zone apply. 4 foot side/rear setback for multistory ADU abutting a Residential Use. Exceeds State Law - Zero side/rear setback for single story ADU. Zero side/rear setback for multistory ADU abutting a non-residential use "Updating regulations to ensure setbacks consistent with fire requirement setbacks	Consistent With State Law - Front setbacks of base zone apply. 4 foot side/rear setback for multistory ADU abutting a Residential Use. Exceeds State Law - Zero side/rear setback for single story ADU. Zero side/rear setback for multistory ADU abutting a non-residential use.
Floor Area Ration (FAR) Requirements	Limits on lot coverage or any FAR requirements cannot preclude the creation of an ADU of at least 800 square feet that maintains four-foot rear and side serbacks. Local agencies may impose FAR requirements but they may not unreasonly restrict the creation of ADUs.	Consistent with State Law	Consistent with State Law
Maximum ADU Size (Attached)	A local jurisdiction may establish a maximun unit size requirement for attached ADUs. Must be at least 850 square feet, or 1,000 square feet for attached ADUs with more than one bedroom.	Exceeds State Law - Allow ADUs up to 1,200 square feet	Exceeds State Law - Allow ADUs up to 1,200 square feet
Maximum ADU Size (Detached)	A local jurisdiction may establish a maximun unit size requirement for detached ADUs. Must be at least 850 square feet, or 1,000 square feet for attached ADUs with more than one bedroom.	Exceeds State Law - Allow ADUs up to 1,200 square feet	Exceeds State Law - Allow ADUs up to 1,200 square feet
Minimum ADU Size (Attached and Detached)	150 square feet	Consistent with State Law	Consistent with State Law
Parking	No parking required within a Transit Priority Area Local regulations may not exceed one parking space per ADU or per bedroom, whichever is less.	Exceeds State Law - No Parking Required for ADUs Outside of Beach Impact Area	Exceeds State Law - No Parking for ADUs Outside of Beach Impact Area
Owner Occupancy	JADU: Property owner must reside on the premises ADUs: No owner occupany requirement	Consistent with State Law	Consistent with State Law
ADU Leasing	Local agencies may require that ADUs be used for rentals of terms longer than 30 days.	Consistent with State Law	Consistent with State Law
ADU Bonus Program	Cities are required to develop a plan that incentivizes and promotes the creation of accessory dwelling units that can be offered at affordable rent for very low, low, or moderate-income households.	Exceeds State Law: A maximum of one additional accessible ADU permitted if the development includes at least two affordable ADU's to very low income, low income, or moderate income households, limited by FAR and height of the underlying zone.	Exceeds State Law: City's certified Housing Element includes identified "a program to incentivize construction of ADUs that are covenenat-restricted for very low, low, and moderate income households." While amendments may be made to City's ADU Home Density Bonus Program, regulations must still remain in effect that incentivize affordable ADUs.
Development Impact Fees	Local agencies may not charge an impact fee for an ADU that is less than 750 sf	Exceeds State Law: No DIF for first two ADUs regardless of size.	Exceeds State Law: No DIF for first two ADUs regardless of size.