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| REQUEST FOR COUNCIL ACTION CITY OF SAN DIEGO | CERTIFICATE NUMBER (FOR COMPTROLLER'S USE ONLY) |
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| TO: CITY COUNCIL | FROM (ORIGINATING DEPARTMENT): Housing Commission | DATE: 7/11/2016 |
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SUBJECT: Consideration of a Proposed Ballot Measure to increase the limit on the number of affordable housing units the City and other public agencies are allowed to help develop, construct, or acquire by 38,680 units

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| PRIMARY CONTACT (NAME, PHONE): Chuck Christensen,(619) 236-9343 | SECONDARY CONTACT (NAME, PHONE): , |
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COMPLETE FOR ACCOUNTING PURPOSES

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|-----------------------|------|------|------|------|------|
| FUND | | | | | |
| FUNCTIONAL AREA | | | | | |
| COST CENTER | | | | | |
| GENERAL LEDGER ACCT | | | | | |
| WBS OR INTERNAL ORDER | | | | | |
| CAPITAL PROJECT No. | | | | | |
| AMOUNT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | | |
|-----------------------|------|------|------|------|------|
| FUND | | | | | |
| FUNCTIONAL AREA | | | | | |
| COST CENTER | | | | | |
| GENERAL LEDGER ACCT | | | | | |
| WBS OR INTERNAL ORDER | | | | | |
| CAPITAL PROJECT No. | | | | | |
| AMOUNT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

COST SUMMARY (IF APPLICABLE): None at this time, as any proposed development under Article 34 must go through a future permit process and is not before the Council at this time. The cost of placing a proposed measure on the November 8, 2016, ballot is unknown at this time. However, \$4,173,583 is budgeted under Citywide Program Expenditures for the November 2016 election. The final cost will be impacted by the total number of ballot measures approved for the ballot and is unknown at this time.

ROUTING AND APPROVALS

| CONTRIBUTORS/REVIEWERS: | APPROVING AUTHORITY | APPROVAL SIGNATURE | DATE SIGNED |
|-------------------------|---------------------------|---------------------|-------------|
| Liaison Office | ORIG DEPT. | Davis, Jeff | 07/11/2016 |
| | CFO | | |
| | DEPUTY CHIEF | Graham, David | 07/15/2016 |
| | COO | | |
| | CITY ATTORNEY | Halsey, Keely | 07/15/2016 |
| | COUNCIL PRESIDENTS OFFICE | Jurado-Sainz, Diana | 07/21/2016 |

PREPARATION OF: RESOLUTIONS ORDINANCE(S) AGREEMENT(S) DEED(S)

Request that the City Council adopt the ordinances in Sub-item A to place on the November 8, 2016, Municipal Special Election ballot a measure to increase the limit on the number of affordable housing units the City and other public agencies are allowed to help develop, construct, or acquire by 38,680 units; and adopt the resolution in Sub-item B, directing the preparation of related ballot materials.

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| STAFF RECOMMENDATIONS: Approve the proposed ordinance and resolution. | |
| SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION) | |
| COUNCIL DISTRICT(S): | Citywide |
| COMMUNITY AREA(S): | N/A |
| ENVIRONMENTAL IMPACT: | This activity is not a project as defined by the California Environmental Quality Act Section 21065 and State CEQA Guidelines Section 15378(b)(5), as it is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment. The determination that this activity is not subject to CEQA, pursuant to Section 15060(c)(3), is not appealable and a Notice of Right to Appeal the Environmental Determination (NORA) is not required. |
| CITY CLERK INSTRUCTIONS: | |

**COUNCIL ACTION
EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO**

DATE: 7/11/2016

ORIGINATING DEPARTMENT: Housing Commission

SUBJECT: Consideration of a Proposed Ballot Measure to increase the limit on the number of affordable housing units the City and other public agencies are allowed to help develop, construct, or acquire by 38,680 units

COUNCIL DISTRICT(S): Citywide

CONTACT/PHONE NUMBER: Chuck Christensen/(619) 236-9343

DESCRIPTIVE SUMMARY OF ITEM:

Request that the City Council adopt an ordinance to place on the November 8, 2016, Municipal Special Election ballot a measure to increase the limit on the number of affordable housing units the City and other public agencies are allowed to help develop, construct, or acquire by 38,680 units and approve a resolution to direct the preparation of a title, summary, impartial analysis, and fiscal analysis of the measure, and to assign responsibility for preparation of a ballot argument.

STAFF RECOMMENDATION:

Approve the proposed ordinance and resolution.

EXECUTIVE SUMMARY OF ITEM BACKGROUND:

Sub-item A:

Introduction and adoption of an Ordinance submitting to the qualified voters of the City of San Diego, for their approval or rejection at the Municipal Special Election, consolidated with the California State General Election to be held on November 8, 2016, one ballot measure to increase the limit on the number of affordable housing units the City and other public agencies are allowed to help develop, construct, or acquire by 38,680 units.

Sub-item B:

A Resolution directing the City Attorney to prepare a ballot title and summary and an impartial analysis; directing the Mayor, Independent Budget Analyst and City Auditor to prepare a fiscal impact analysis; and assigning ballot arguments; all regarding a ballot measure submitting to the qualified voters of the City of San Diego, for their approval or rejection at the Municipal Special Election, consolidated with the California State General Election to be held on November 8, 2016, one ballot measure to increase the limit on the number of affordable housing units the City and other public agencies are allowed to help develop, construct, or acquire by 38,680 units.

The San Diego Housing Commission (Housing Commission) is recommending that a proposed ballot measure be placed on the November 8, 2016, ballot to increase the capacity to construct low-rent housing in the city of San Diego, in compliance with Article 34 of the State Constitution, which was adopted by voters on November 7, 1950.

The proposed ballot measure would allow the capacity to construct up to 38,680 additional affordable housing units in the city, without raising taxes.

Affordable housing developments would still have to obtain approvals that are otherwise required, including permits, and, when applicable, obtaining community, environmental and San Diego City Council reviews. Therefore, this proposed ballot measure does not guarantee that the 38,680 affordable housing units, or that any units, would be built.

The Housing Commission presented the request to increase the cap on affordable housing set by Article 34 by 10,000 units. The Rules Committee reviewed the matter and requested that it be forwarded to the City Council, with the number of units in the proposed ballot measure set at 38,680 units. The city of San Diego needs 38,680 affordable housing units for low- and very low-income residents by 2020, according to the 2011 San Diego Association of Governments' (SANDAG) Regional Housing Needs Assessment (RHNA). SANDAG works with City to determine the need for housing units in four income categories (very low-, low-, moderate and above moderate income) based on the California Department of Housing and Community Development's calculation of the total number of housing units needed in the San Diego region.

The City Council has authorized prior ballot measures in 1972 (500 units), 1976 (2,500 units), 1981 (2,500 units), and 2002 (5,000 units) to allow for the potential construction of a total of up to 10,500 units of low-rent housing in the city. San Diego voters approved all four ballot measures.

The limit is approaching, however, with only 3,247 units of capacity left. If the voters do not approve additional capacity, it will not be possible to construct any low-income housing units supported by government financing or assistance in the City of San Diego beyond the limit on the number of units that was previously approved.

CITY STRATEGIC PLAN GOAL(S)/OBJECTIVE(S): N/A

FISCAL CONSIDERATIONS:

None at this time, as any proposed development under Article 34 must go through a future permit process and is not before the Council at this time. The cost of placing a proposed measure on the November 8, 2016, ballot is unknown at this time. However, \$4,173,583 is budgeted under Citywide Program Expenditures for the November 2016 election. The final cost will be impacted by the total number of ballot measures approved for the ballot and is unknown at this time.

EQUAL OPPORTUNITY CONTRACTING INFORMATION (IF APPLICABLE):N/A

PREVIOUS COUNCIL and/or COMMITTEE ACTION (describe any changes made to the item from what was presented at committee):

The matter was presented to the Rules Committee on March 23, 2016:

Motion by Councilmember Cate to forward the item to the City Council with a recommendation to increase the requested number of 10,000 units to 38,680 units, and to direct the City Attorney to work with the Housing Commission to prepare the necessary ballot materials for the November 8, 2016 ballot. Second by Council President Pro Tem Emerald. Passed unanimously.

The matter was presented to the City Council on April 26, 2016:

The City Council voted 8-0, with Council President Pro Tem Marti Emerald absent, to approve Resolution R-310383, which (1) waived Council Policy 000-21 so that the Council may consider a proposed ballot measure and direct preparation of an ordinance including that measure; and (2) directed the City Attorney's Office to work with staff to prepare an ordinance including a potential ballot measure that would increase the capacity to construct affordable housing by 38,680 units in the City of San Diego, under the requirements of Article 34 of the California Constitution, and return to the Council for consideration of the ordinance after the November 8, 2016 general election has been called by the Council.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: N/A

KEY STAKEHOLDERS AND PROJECTED IMPACTS: N/A

Davis, Jeff

Originating Department

Graham, David

Deputy Chief/Chief Operating Officer