

May 23, 2024

## **Land Use Affordable Housing Programs Fee Study Update:**

**Introduction:** The SDHC Land Use Department currently administers six affordable housing programs for the City of San Diego: Accessory Dwelling Unit (ADU) Bonus, Complete Communities, Density Bonus, Inclusionary Housing, North City Future Urbanizing Area (NCFUA), Dwelling Unit Protections, and Coastal Overlay Zone Affordable Housing replacement. SDHC has administered affordable housing programs since 1979.

**Purpose of Land Use application fees:** The fees collected from applicants are integral to covering the administrative costs associated with processing applications for the City's affordable housing programs. These costs include, but are not limited to, staff time devoted to processing applications; reviewing building plans; legal reviews; and signing, notarizing, and ensuring compliance with regulatory requirements.

**Fee study findings:** MGT Consulting Group conducted a fee study, including a review of SDHC's Land Use Department applications fees-for-service.

Per the fee study findings, the fees will be adjusted beginning July 1, 2024, as follows:

| Affordable Housing Program | Current Fee | Updated Fee<br>In effect July 1, 2024 |
|----------------------------|-------------|---------------------------------------|
| ADU Bonus                  | \$600       | \$1,500                               |
| Land Use Fee*              | \$2,000     | \$3,000                               |

<sup>\*</sup>Land Use Fee applies to any of the following affordable programs: