

STATEMENT OF PROCEEDINGS
COUNTY OF SAN DIEGO FLOOD CONTROL DISTRICT
REGULAR MEETING
TUESDAY, JANUARY 9, 2024, 9:00 AM
COUNTY ADMINISTRATION CENTER, ROOM 310
1600 PACIFIC HIGHWAY
SAN DIEGO, CA 92101

A. REGULAR SESSION: Meeting was called to order at 9:03 a.m.

PRESENT: Directors Nora Vargas, Chair; Terra Lawson-Remer, Vice-Chair; Joel Anderson; Monica Montgomery Steppe; Jim Desmond; also, Andrew Potter, Clerk of the Board of Supervisors.

B. Statement (just cause) and/or Consideration of a Request to Participate Remotely (emergency circumstances) by a Director, if applicable.

C. Non-Agenda Public Communication: Opportunity for members of the public to speak to the Board on any subject matter within the Board's jurisdiction but not an item on today's agenda.

NOTICE: THE BOARD OF SUPERVISORS MAY TAKE ANY ACTION WITH RESPECT TO THE ITEMS INCLUDED ON THIS AGENDA. RECOMMENDATIONS MADE BY COUNTY STAFF DO NOT LIMIT ACTIONS THAT THE BOARD OF SUPERVISORS MAY TAKE. MEMBERS OF THE PUBLIC SHOULD NOT RELY UPON THE RECOMMENDATIONS IN THE BOARD LETTER AS DETERMINATIVE OF THE ACTION THE BOARD OF SUPERVISORS MAY TAKE ON A PARTICULAR MATTER.

Agenda Items

Agenda #	Subject
1.	NOTICED PUBLIC HEARING: ORDINANCE REVISION EXTENDING THE COUNTY'S ACCESSORY DWELLING UNIT (ADU) FEE WAIVER PROGRAM (4 VOTES) (RELATES TO BOARD OF SUPERVISORS ITEM 13)

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1. **SUBJECT: NOTICED PUBLIC HEARING:
ORDINANCE REVISION EXTENDING THE COUNTY’S ACCESSORY
DWELLING UNIT (ADU) FEE WAIVER PROGRAM
(DISTRICTS: ALL)**

OVERVIEW

Although the housing crisis continues to severely impact our region, there have been recent positive examples of steps the County took to make a dent to address the region’s need for more housing. One such example is the County’s fee waiver program for Accessory Dwelling Units (ADUs). On October 10, 2018 (2), the Board of Supervisors (Board) received the report *Options to Improve Housing Affordability in the Unincorporated Area* and directed staff to develop a trial program to waive plan check fees, permit fees, and County development impact fees for Accessory Dwelling Units (ADU) projects located on a lot with an existing single-family dwelling. ADUs are structures that are accessory to a primary residence, constructed with independent living facilities for one or more persons. Broadly speaking, they are allowed up to 1,200 square feet in size, can be attached or detached from the primary residence, and are an incredibly important tool to increase the availability of housing that can be built within our existing communities.

On January 30, 2019 (1), the Board adopted ordinances to create a five-year trial fee waiver program that would waive plan check fees (staff review of submitted materials), permit fees (such as building and septic system fees) and County development impact fees (such as transportation, park, and drainage fees) for newly constructed ADUs located on a lot with an existing single-family dwelling in the unincorporated County. This program has been running successfully and expires (or “sunset”) on January 9, 2024. By its sunset date, the program is expected to have waived fees for roughly 1,500 ADU projects and will result in an estimated cumulative savings to applicants of nearly \$15 million - a definite success.

Beyond the fee waiver program, the County has other processes in place to streamline the production of ADUs. For example, staff developed six sets of unique building plans (“Pre-Approved Plans”) that applicants can use to construct an ADU. These range in size from 600 to 1,200 square feet and there are no costs to use them. For applicants proposing privately designed ADUs (not using the Pre-Approved Plans), County staff offer an expedited plan check at no additional cost, which provides a first-round review in half the time of a review for a new single-family residential unit. Neither the Pre-Approved Plans nor the expedited review process for ADUs are sunsetting on January 9, 2024 - only the fee waiver program. Although the Pre-Approved Plans and expedited review efforts are beneficial on their own, the fee waiver program can increase the cumulative positive impacts, especially when taken as part of the broader suite of efforts to streamline ADU production. The housing crisis is a perilous situation that impacts all communities in our region, and we need every tool available to us to address the severe lack of housing. At this time, it would be misguided to let the program expire. It’s important we continue to offer a multifaceted approach to incentivizing and streamlining homebuilding in the unincorporated county, and waiving fees for relatively affordable ADUs has proven to help do exactly that.

Today's action is for the Board to adopt ordinances authorizing the extension of the County's Fee Waiver Programs for development impact fees (Transportation Impact, Park Lands Dedication Ordinance, and Drainage) and permit fees (building and onsite wastewater system) for ADUs located on lots with existing single-family dwellings for another five-year trial period commencing January 9, 2024 until January 9, 2029. Initial funding of \$16M dollars will be provided to support these efforts. Once this funding has been used, the fees will need to be paid by the applicant. Today's request would also revise the American Rescue Plan Act (ARPA) Framework to reallocate \$16.0 million of amounts anticipated to be allocated to the Evergreen element of the ARPA Framework to make the necessary funding available to extend the program.

RECOMMENDATION(S)
SUPERVISOR JIM DESMOND

Acting as the Board of Directors of the San Diego County Flood Control District:

On January 9, 2024:

1. Find that the proposed project is exempt from CEQA as specified in Section 15061(b)(3) of the State CEQA Guidelines for the reasons detailed in the Notice of Exemption dated December 21, 2023, on file with PDS, and approve the findings in Attachment A (on file with the Clerk of the Board) pursuant to the CEQA Guidelines Section 15061(b)(3).
2. Approve the introduction of the Ordinance (first reading), read title and waive further reading of the Ordinance (Attachment C, on file with the Clerk of the Board):
ORDINANCE REVISION EXTENDING THE COUNTY'S ACCESSORY DWELLING UNIT (ADU) FEE WAIVER PROGRAM.

If, on January 9, 2024, the Board takes action as recommended, then on January 23, 2024:

Consider and adopt the Ordinance (second reading):

ORDINANCE REVISION EXTENDING THE COUNTY'S ACCESSORY DWELLING UNIT (ADU) FEE WAIVER PROGRAM.

EQUITY IMPACT STATEMENT

Both low and middle-income families, as well as other vulnerable communities such as those currently experiencing homelessness, by far bear the brunt of the negative impacts associated with the lack of housing and severely inflated home prices. By extending the County's Fee Waiver Program for ADUs, we have an opportunity to reduce development barriers and streamline housing production for the unincorporated communities.

SUSTAINABILITY IMPACT STATEMENT

The County's commitment to sustainability requires us to consider the long-term consequences of our actions on the environment, economy, and social well-being of the communities we serve. Currently, our communities are suffering from a severe lack of housing and skyrocketing home prices. It is the County's responsibility to ensure our residents are thriving in all aspects of life, which must include access to available and affordable housing.

FISCAL IMPACT

Extending the ADU Fee Waiver Program is expected to result in \$3.2 million per year in uncollected County fees that the County would be subsidizing. Today's action would fund \$16 million in subsidized fees to be used over the next five years. Available American Rescue Plan Act (ARPA) funds of \$16 million will be recognized as lost revenue and redirected to the ADU Fee Waiver Program. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

The waiver of impact and permit fees for Accessory Dwelling Units (ADUs) supports the local economy by creating new incentives for increasing the supply of housing in the unincorporated area. These types of programs remove financial barriers and create incentives for improved affordability of smaller housing types available to households that may include young people, couples, students, professionals, and seniors. New development of ADUs will also create local job growth and support the local economy.

ACTION:

Noting for the record that Board of Supervisors items 12, 13, 14 and Flood Control District item FL01 were heard concurrently; ON MOTION of Director Vargas, seconded by Director Desmond, the Board of Directors of the San Diego County Flood Control District took the following actions:

1. Supported the staff recommendations in item 12, including the proposal for how to program the remaining ARPA Framework balance of \$67 million and return to the Board on February 27 with recommendations for the remaining balance of the Evergreen Fund.
2. Directed the Chief Administrative Officer (CAO) to include priorities from all Board members when developing proposals for how to program remaining funds in the Evergreen Fund to be considered when the CAO returns to the Board on February 27, 2024 with the Evergreen Fund recommendations. Priorities should be focused on 1) behavioral health, 2) housing, 3) climate change, 4) economic prosperity 5) homelessness, and 6) workforce, and be sent to the CAO by Board members via memo no later than January 22, 2024 so that the CAO can return to the Board with Evergreen Fund options on February 27, 2024.
3. Directed the CAO to implement Program 5, "Supporting County Workforce Well-Being and Hiring and Retention Goals by Investing in Wellness One-Time Payments," as described in agenda item 14.
4. Directed the CAO to implement Program 3, "Recuperative Care Homeless Beds," as described in agenda item 14.
5. Continued agenda items 13, and the remaining recommendations of item 14 and Flood Control District item 1, to be considered when the CAO returns to the Board on February 27, 2024 with the Evergreen Fund recommendations.

AYES: Vargas, Lawson-Remer, Montgomery Steppe, Desmond

NOT PRESENT: Anderson

There being no further business, the Board of Directors of the San Diego County Flood Control District adjourned at 5:50 p.m.

ANDREW POTTER
Clerk of the Board of Directors of the
San Diego County Flood Control District

Notes: Vizcarra

NOTE: This Statement of Proceedings sets forth all actions taken by the San Diego County Flood Control District on the matters stated, but not necessarily the chronological sequence in which the matters were taken up.