

## Affordable housing, tasting rooms and bigger downtown homes: What's in San Diego's big batch of proposed policy changes

By David Garrick

SAN DIEGO — San Diego may soon outlaw storage facilities in prime industrial areas, expand where tasting rooms are allowed and make downtown more family-friendly with new incentives for three-bedroom apartments and child care businesses.

The City Council is scheduled to consider those policy changes and nearly 80 others Tuesday, including tougher rules for new projects vulnerable to sea-level rise and stronger wildfire prevention rules for climate-friendly energy storage facilities.

The changes are part of San Diego's annual municipal code update, in which it typically makes dozens of regulatory reforms, policy updates, corrections to outdated codes and clarifications to existing rules en masse.

This year's update clarifies that no drive-through businesses are allowed downtown, the only legal retail use of a parking lot is outdoor dining and affordable housing built under the city's Complete Communities program must be on the same site as a project's market-rate homes.

San Diego is the only city in the region that updates its zoning code annually with a large batch of policy changes, as it has since 2007. Other cities handle such changes one at a time.

City officials say comprehensively updating the zoning code each year lets them quickly make small modifications that boost the efficiency of city government and adjust policies that have had contradictory or unintended consequences.

Critics say making so many changes at once limits the opportunity for the public and elected leaders to evaluate each change thoroughly.

That seems particularly true this cycle, when public hearings on the dozens of proposed changes have been dominated by one proposal to soften city rules that allow taller apartment buildings and more backyard units when a property is near mass transit.

Debate at two Planning Commission hearings and one hearing at the City Council's Land Use and Housing Committee has focused almost entirely on the new transit rule, which would allow more dense projects when transit is 1 mile away instead of the current requirement of half a mile away.

Other key proposals in the package include prohibiting storage facilities in prime industrial areas in order to boost the acreage available for biotech, high-tech and other businesses with high-paying jobs.

“We need to protect areas where people can work and have jobs as much as we need to build housing,” Councilmember Vivian Moreno said last month.

Storage facilities are now allowed on 3,920 acres of the 7,150 acres citywide that are designated prime industrial land, so just over half.

City officials stress that there would still be just over 10,000 acres of all types of city land left where storage facilities can be located, down from 14,000 acres.

The proposed changes would also allow tasting rooms for beer, wine or liquor in mixed-use zones — areas designated for projects where housing, commercial and industrial uses are all mixed together.

And another change would allow such tasting rooms to become an independent use citywide. In many zones, they are now required to be operated in conjunction with a production facility.

More than 30 of the proposed changes would be restricted to downtown.

In addition to new incentives for child care facilities and three-bedroom apartments and condominiums, the proposed changes would allow more commercial and residential uses on the ground floors of buildings.

The downtown changes also include incentives to build subsidized housing on surface parking lots and reforming open-space incentives to encourage developers to create more appealing places for people to congregate.

“These amendments will all promote a family-friendly residential environment downtown,” said Councilmember Stephen Whitburn, whose district includes downtown.

A recent survey showed 60 percent of downtown households are not occupied by families, a ratio city officials say they would like to shrink.

On sea-level rise, the proposed change would expand the requirement that developers notify buyers and renters of the dangers to apply in more areas of the city. It also outlaws “shoreline armoring,” such as seawalls or riprap, in more areas.

Another change would require energy-storage facilities built in wildfire hazard areas to comply with the city’s “defensible space” brush management rules. Called “battery” energy storage facilities by the city, these facilities store electrical energy for use at a later time.

Because they are often used in conjunction with electric vehicles, solar power installations and smart homes, these facilities are considered important to the city’s climate goals.

“Clear regulations to facilitate the development of these facilities is critical to achieving the City’s

renewable energy goals set forth in CAP Strategy," city officials said in the staff report summarizing the proposed changes.

On Complete Communities, a new city housing program that requires housing developers to build parks and other amenities along with the homes they build, city officials said it is important to make a clarification regarding low-income housing.

The program lets developers build more market-rate units if they agree to build some rent-restricted units for low-income people, but there has been a dispute about whether those rent-restricted units must be on the same geographic site as the market-rate ones.

Some developers say the city should allow the rent-restricted units to be built elsewhere, as is allowed under the city's density bonus and inclusionary housing programs.

"It's an essential flexibility," said Matt Adams of the Building Industry Association.

But city officials say rent-restricted units under Complete Communities must be built on-site.

If the council approves the proposed changes next week, they won't take effect immediately in the city's coastal zone — essentially land west of Interstate 5 — until they also get approved by the California Coastal Commission.