

Sustainable Development Areas (SDAs) - Not a good bargain for the City of San Diego

Nico Calavita

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On February 14th, the San Diego City Council will vote on expanding two incentive programs, the Complete Communities Housing Solutions Program (CCHS) and the Accessory Dwelling Unit Affordable Density Bonus Program (ADUDB) to almost the entire city through the creation of a new geographic area — Sustainable Development Areas (SDAs) — in the Municipal Code. It is one of the most important land use decisions of the past few years, yet it is buried in the Land Development Code package with 83 other items. When carefully analyzed, it appears that the main purpose of the proposed Sustainable Development Areas (SDAs) is not to increase access to transit (as it claims to do), but to allow higher densities in these areas with almost exclusively market-rate housing. SDAs are areas defined as being within a one mile walking distance of existing — and future — transit stations.

To understand the potential impact of this proposal it is important to understand density, residential density in particular, in planning terms. Residential density refers to how much development — how many “dwelling units” — can be placed on a piece of land. Increasing density has positive and negative consequences. Densification is good because it allows the production of much needed housing and — when placed in the right places — increases mass transit ridership.

But density comes with costs as well. If not concentrated near transit, it will increase car usage — and with it, traffic congestion, pollution, demand for parking, and so on. Additionally, it will increase the demand for public facilities, especially parks and open space.

How do SDAs fare in terms of costs and benefits?

The main claim for this proposal is that it will encourage greater use of mass transit. But research shows that people will not walk more than half a mile to get on a bus or light rail. The proposed SDA one mile walking distance has no precedent, as far as I know, in the entire world.

In addition to justifying this expansion as transit friendly, the proposal also maintains that the CCHS and ADUDB will provide affordable housing. They may, or may not.

With the ADU Bonus Program developers have a choice of providing bonus units to be affordable on a 1:1 ratio to very low, low, or moderate income households. This choice, however, is weakened by two features. One, is the short length of affordability, 10 years for very low (at 50% AMI) or low (at 60% AMI) income units, and 15 years for moderate income units (at 110% AMI). These terms of affordability are not comparable to other affordability programs (whose length of affordability is commonly 55 years) and will result in the loss of affordable units in a very short time. The point is that after 10 or 15 years, all the affordable units will become market rate. As affordable housing advocate Emmeus

Davis noted in *The Affordable City*, “many people have questioned the wisdom of working so hard to produce affordable housing if the affordability of those units may soon be lost.” Beyond this issue of time frame, rents affordable to household making 110% AMI (\$117,000 for a family of four) are close to market rate. Developers will choose this alternative; not the low, or very low income alternatives.

Similarly, the Complete Communities Housing Solutions (CCHS) affordability requirements do not deliver on their promise of affordable housing. CCHS has a 40% affordability requirement, but the requirement is for 40% of the base density, not 40% of the total number of units. A proposed project in Bankers Hill (301 Spruce Street), for example, has an actual requirement of 8.4 percent of the number of units (22 out of 261).

If the purported benefits of the SDAs are minimal, its negative impacts are significant.

- **Densification and land values.** The expansion of the ADU Bonus Program is a de facto upzoning of thousands of acres. Allowing greater density will increase the value of the land under existing homes, making them more expensive and less affordable to home buyers or renters. This is the unintended, but tragic, consequence of the SDAs. Some “affordable” housing will be provided, but only temporarily; the increase in the cost of housing will be permanent. Proponents of SDAs have invoked the homeless crisis as necessitating its speedy approval. It is difficult to fathom how SDAs can help solve that challenging problem. Unless you believe in some version of the infamous trickle down theory.
- **Open space and parks.** The expansion of the ADU Bonus Program will magnify the elimination of the informal network of backyard open space, reducing its wildlife and the permeability of its soils. Most importantly trees will be cut down, while creating new additional impervious surfaces that will increase temperatures in our fast-heating city. The expansion of the ADU program will make heat islands worse, much worse. There is a provision to plant trees, but newly planted trees need nurturing, especially in a dry climate like San Diego. I doubt that a building inspector will go back and check whether the new saplings are being watered/taken care of. And I have to wonder how much open space will be left to make trees viable.

Additionally, the city seems to have abandoned plans to provide additional acreage for parks/open space in the areas where the most densification is taking place. That is odd, because a centuries-old tenet of planning is that higher density should be accompanied by additional open space. If implemented, SDAs would eliminate the existing network of informal open space provided by backyards, add more density, and not provide additional open space where especially needed.

- **More cars and pollution.** With the long distance (1 mile — 20 minute walk) to transit stops, it is fair to assume that the new residents will rely on cars for their transportation needs, leading to the deleterious consequences additional cars bring. Density — very high density — should be concentrated along transit corridors and close to major transit stops, not a long walk away from them.

- **Effects on neighborhoods.** Application of the SDA definition effectively upzones thousands of acres. One problem with broad upzonings is that they treat neighborhoods that are socio-economically and geographically diverse the same. The impact of applying the SDA designation to various neighborhoods merits more thorough analysis. Recent research shows that in the past few years, speculators — big and small all over the country — have bought properties in lower-income, usually minority, neighborhoods, because they were cheap. They rent or leave them vacant and wait for the neighborhood to change and for prices to go up — or redevelop them. This is likely to happen predominantly in the Communities of Concern affected by the expansion. With only minimal affordability and length of affordability requirements, this expansion is likely to lead to gentrification, displacement and higher housing costs in these relatively affordable neighborhoods.

The SDA proposal is hastily conceived, minimally understood, and little researched. It should not be approved. If the city believes the proposal has merit, the possible impacts mentioned above should be carefully analyzed.

*Nico Calavita is Professor Emeritus in the Graduate Program in City Planning at SDSU
He can be reached at ncalavit@sdsu.edu*