

# LATE CORRESPONDENCE

## MARCH 23, 2023

March 7, 2023

Camila Eastland  
Land Use/Environmental Planner  
San Diego County Planning & Development Services  
5510 Overland Avenue, Suite 310  
San Diego, CA 92123



RE: Draft County Inclusionary Housing Ordinance

Dear Camila,

The Building Industry Association of San Diego County is comprised of 650 member companies representing a workforce of more than 30,000 individuals throughout San Diego. We have reviewed the draft Inclusionary Housing Ordinance and the AECOM Economic Analysis and offer the following comments and recommendations.

Despite state and local efforts, the housing shortage continues to stymie the region. Final production numbers show that 500 fewer units were created in 2022 than in 2021. San Diego, Chula Vista and the unincorporated area account for 73% of county-wide housing production. Housing does not meet demand and construction costs continue to escalate thanks to higher interest rates and added regulations.

The BIA remains concerned that the cumulative effect of multiple County initiatives will result in less housing being produced in the unincorporated area. With a myriad of intangibles and absent their cost implications on new development, it is nearly impossible to determine the economic viability of an inclusionary program and its impact on land values.

As it pertains to an inclusionary program, the economic analysis failed to include the impact of the County's Vehicle Miles Traveled program so the overall impact remains unknown. The BIA maintains that the County adopted requirements pose such a significant hardship that areas outside of VMT efficient/infill designations will be rendered economically infeasible for any meaningful development. County staff acknowledged as much during the March 1, 2023 VMT update to the Board of Supervisors.

The latest data from the Construction Industry Research Board that tracks permit activity in jurisdictions throughout California found that in the first nine months of 2022, the unincorporated area was averaging 60 multifamily unit permits per month. However, following the passage of the Transportation Study Guide that implemented VMT in September, only 8 multi-family permits were issued over the remaining four months of 2022. Clearly VMT is having an impact.

The analysis assumes that landowners will "*absorb up to a 30% loss in value*" (page 62, section 1.) that would accompany an inclusionary requirement. The BIA finds this to be an unrealistic expectation as property owners are under no obligation to sell to home providers. An analysis of land transactions in the City of San Diego during their inclusionary update found that just 18% of land transactions went to home providers. The more regulatory impediments placed on the residential market, the less attractive housing becomes to land sellers. They are likely to delay selling until the price meets their expectations further constraining home building opportunities.

The analysis also fails to acknowledge land value impacts necessary to comply with the Climate Action Plan, Decarbonization Framework, Smart Growth Alternatives and proposed Community Benefit Agreements. The County has also failed to amend zoning to conform with the General Plan, adopted in 2011. The absence of such information creates significant uncertainty and is a major disincentive for investment in the unincorporated area.

As representatives of the regulated community, we strongly recommend that the County refrain from any inclusionary implementation until the cost implications of the aforementioned issues are clearly analyzed.

Land use is not a one-size-fits-all exercise due to a host of variables. In-Lieu fees are an essential option and should not be limited to project size. The range referenced in the economic analysis is excessive given the economic realities of the unincorporated area in terms of land values and housing costs. A \$25 per square foot In-Lieu fee equates to a \$62,500 tax on a typical 2,500 square foot home which adds \$395 per month to a mortgage payment at 6% interest.

Any inclusionary program must also provide an off-site option. The off-site option allows affordable housing developers to use their expertise to increase economies of scale that attracts additional state and federal revenues and provide in house services for residents that is lacking in the unincorporated area. As such, home providers should not be penalized with an additional percentage requirement for off-site units. With limited areas due to VMT, locations should be expanded to outside VMT efficient areas considering affordable projects are exempt from VMT mandates.

The economic analysis concludes that the absence of incentives "*may suppress overall production*", (page 16, section 3.3.2). However, the draft ordinance lacks specificity on developer incentives and what is mentioned is limited to specific production and affordability levels. Expedited project review is subjective and open ended. Deadline specific processing would be better suited with projects deemed approved if the County fails to make the deadline. Approval times of 30, 60, or 90 days would be an attractive incentive. Additional density bonuses, self-certification and by-right processing are areas that can significantly improve development times if implemented properly.

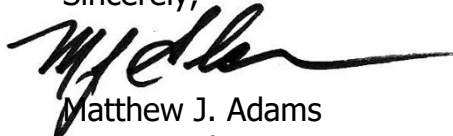
The need for expedited processing was acknowledged during the VMT discussions. How does the County plan to differentiate processing incentives between inclusionary projects and projects within VMT/Infill Efficient areas? Staff has already begun to explore expedite programs for VMT/Infill areas. The BIA is prepared to work with the County to determine appropriate incentives. It is critical that incentives and offsets be implemented concurrently with any inclusionary program.

Lastly, any inclusionary program must include a phase in period as referenced in the economic analysis. *"A phasing-in of program parameters and/or minimum thresholds may help ensure a smooth transition for transactions and projects currently under development or in process."*(page 16, section 6.2.1.3). The City of San Diego's most recent Inclusionary update was implemented over a 5-year period to help mitigate the negative impacts of the program. The BIA supports a similar 5-year phase in of affordability levels and fees.

The County must also protect the economic viability of projects already in the pipeline. Those with a development application or ministerial application deemed complete must be exempt from the new requirement as they would have been submitted prior to the implementation of a costly inclusionary program.

The BIA understands the County's desire to address the housing crisis, but the cumulative economic impact of pending regulations needs to be vetted to assess their overall impact on housing costs and production. The BIA remains committed to working with the County to ensure such endeavors do not adversely affect housing availability.

Sincerely,



Matthew J. Adams  
Vice President

# LATE CORRESPONDENCE

## MARCH 23, 2023

Gaines, Georgina

---

**From:** Howard Blackson <hblackson@avrpstudios.com>  
**Sent:** Wednesday, March 15, 2023 8:35 PM  
**To:** Easland, Camila  
**Cc:** Talleh, Rami; Madrid, Michael; Lieberman, Tara  
**Subject:** [External] RE: Inclusionary Labor Incentive Idea

Camila/All,

Thank you for asking. The idea is intended to try to solve for the question over how to incentivize union/prevaling wage labor that is perceived as too expensive to building market rate housing. So, what more can we do to incentivize new development that builds affordable housing and provide jobs? Inclusionary Zoning, with its incentives and waivers, essentially waives the existing bad zoning rules, which is a good thing. SB6 and AB2011 are going to require labor and in response I recommend considering/making better the following:

1. Expand the use and effectiveness of the County's self-certify planning/entitlement [program](#). Because the IZ program will waive development regulations, such as setbacks, heights, densities, etc.. So self-certification is the only incentives available for labor.
2. Enable and expand full self-certification for entitlement and plan reviews [processes](#) IF:
  - Professionally licensed architecture, engineer, land survey,
  - Proposing >4 units
  - Enroll in AH IZ program and meet **IZ AMI percentage targets program**.
  - and Sign a **Prevailing Wage agreement** with Construction Contractor(s)THEN, you can self-certify
3. Enable and expand full self-certification for entitlement and plan review processes IF:
  - Professionally licensed architecture, engineer, land survey,
  - Proposing >4 units
  - Enroll in and meet a **Supervisor targets program (such as 3-bedroom units, or <30%AMI)**.
  - and Sign a **Skilled and Trained Workforce requirements agreement** with Construction Contractor(s)THEN, you can self-certify and not build AH.

This idea is to use the time saved with self-certification to incentivize the types of developments the Supervisor's office wants. It builds our labor pool and makes for more well-paid jobs in San Diego for more San Diegans. And it's intended to help us incentivize the deemed too expensive labor market.

I have asked state and local advocates if anyone has seen anything like this and I haven't found any. I have proposed this to the Building Industry Association (BIA) Policy Committee who are formulating a formal response.

And I think it's a great idea. What do you think?!?

Cheers! - Howard

---

**From:** Easland, Camila <Camila.Easland@sdcounty.ca.gov>  
**Sent:** Monday, February 27, 2023 10:59 AM  
**To:** Howard Blackson <hblackson@avrpstudios.com>  
**Cc:** Talleh, Rami <Rami.Talleh@sdcounty.ca.gov>; Madrid, Michael <Michael.Madrid@sdcounty.ca.gov>; Lieberman,

Tara <Tara.Lieberman@sdcounty.ca.gov>

**Subject:** RE: Inclusionary Labor Incentive Idea

Hi Mr. Backson,

Thank you so much for sharing your recommendations.

Could you please provide some examples of incentives and development standard waivers that you are recommending? Are they essentially the same (e.g., height increase, setback reduction, etc.)?

Regarding the labor agreement, are you recommending that we add this as something the developer can elect to do in order to access additional incentives? Do you know of any other jurisdictions that have a similar model as part of their inclusionary housing program? As you pointed out, this is a model used in CA law (e.g., Sb 35, AB 2011, etc.), but it would be helpful to check an inclusionary housing program with similar features.

Also, we will hold a public meeting on 3/1 at 6 PM. I hope you can join the meeting. Registration link: <https://us06web.zoom.us/j/86885723040>

Thank you!

Best regards,

Camila Easland

Pronouns: she/her/hers

Land Use / Environmental Planner, Long Range Planning  
Planning & Development Services

5510 Overland Ave., Suite 310, San Diego, CA, 92123

[camila.easland@sdcounty.ca.gov](mailto:camila.easland@sdcounty.ca.gov)

(619) 323-7362

For local information and daily updates on COVID-19, please visit [www.coronavirus-sd.com](http://www.coronavirus-sd.com). To receive updates via text, send **COSD COVID19** to **468-311**.



---

**From:** Howard Blackson <[hblackson@avrpstudios.com](mailto:hblackson@avrpstudios.com)>

**Sent:** Tuesday, February 21, 2023 1:08 PM

**To:** Lynch, Dahvia <[Dahvia.Lynch@sdcounty.ca.gov](mailto:Dahvia.Lynch@sdcounty.ca.gov)>

**Subject:** [External] Inclusionary Labor Incentive Idea

Dahvia,

I saw your Inclusionary Housing program. Here's a new idea I'd like to share for your consideration:

Step 1, think in terms of standards **Inclusionary Housing** programs.

Step 2, think in terms of IH development carrot percentages (for example):

- 10% AH at 80% AMI = 1 Incentive + 5 Development Standard Waivers
- 20% AH at 30% AMI = 3 Incentives + Unlimited Dev Stnd Waivers

Step 3, think in terms of **Labor Agreement Types** Incentives (for example):

- Prevailing Wage (20% AH @ 80% AMI) = 1 incentive + 3 Development Standard Waivers
- Apprenticeship program + Prevailing Wage (20% AH @ 80% AMI) = 3 Incentives + 5 Development Stnd Waivers

- Project Labor Agreement + Prevailing Wages + Apprenticeship (20% @80AMI) = 5 Incentives + Unlimited Standard Waivers

What I think I'm fixing are the following:

- Add labor without drastically limiting AH % options on-site, such as SB6 = 10% AH, and AB2011 = 28% AH
- Addressing the Building Industry financing concerns by incentivizing new labor agreements.
- Making labor strong in CA, adding good low-skilled paying jobs, improving construction standards

Have you seen any development incentives for labor agreements before? If I didn't explain this well enough, please ask as it's an idea at this point. Again, thank you for your time and consideration.

**Howard M. Blackson III, CNUac**

Director of Urban Design

**AVRP Studios**

Mobile (619) 955.2559

[www.howardblackson.com](http://www.howardblackson.com)

# LATE CORRESPONDENCE

## MARCH 23, 2023

**Easland, Camila**

---

**From:** Billie johnson.jr <got40acresyet@gmail.com>  
**Sent:** Friday, February 3, 2023 11:00 PM  
**To:** Easland, Camila  
**Subject:** Re: [External] failure of inclusion reason for homeless crisis

Thank you, Yes i would like to provide more views on this very important issue of how the OPTION OUT is a direct cause of today Crisis of unsheltered. Question will you be providing actual data of the number of affordable housings provided to date Then comparing THE OPTION fee amount that went to housing authority. for section 8. Will you be pointing out the role reduction of the single occupancy housing contributed to unsheltered by reducing the inventory of affordable housing, sadly was replace with middles classes housing. Will you explain why the THE OPTION FEE percentage has been allowed to be reduce? What is the goal of the amount of housing units under the inclusionary ordinance? Why do officials always speak terms of millions of dollars instead of units built You aware how developers of affordable housing project using every incentive but build the minimum amount affordable unit of smaller size? please provide facts to compare if inclusion ordinance provides measurable unit please consider stopping the option out fee because those of minority community feel the potion if offense trying keep us south of 8 freeway. when is the zoom meeting?

On Thu, Feb 2, 2023 at 12:38 PM Easland, Camila <[Camila.Easland@sdcounty.ca.gov](mailto:Camila.Easland@sdcounty.ca.gov)> wrote:

Hello,

Thank you so much for your feedback. This email is to confirm that your input has been recorded. Please let me know if you would like to provide additional feedback.

Thank you!

Best regards,

**Camila Easland**

Pronouns: she/her/hers

Land Use / Environmental Planner, Long Range Planning

Planning & Development Services

5510 Overland Ave., Suite 310, San Diego, CA, 92123

[camila.easland@sdcounty.ca.gov](mailto:camila.easland@sdcounty.ca.gov)

(619) 323-7362

For local information and daily updates on COVID-19, please visit [www.coronavirus-sd.com](http://www.coronavirus-sd.com). To receive updates via text, send **COSD COVID19** to **468-311**.

Coronavirus Disease 2019  
**COVID-19**

---

**From:** Billie johnson.jr <[got40acresyet@gmail.com](mailto:got40acresyet@gmail.com)>

**Sent:** Sunday, January 22, 2023 9:04 PM

**To:** Long Range Planning, PDS <[PDS.LongRangePlanning@sdcounty.ca.gov](mailto:PDS.LongRangePlanning@sdcounty.ca.gov)>

**Subject:** [External] failure of inclusion reason for homeless crisis

it is joke having the option instead low income housing to just paying in to housing authority fee less than 1% so not to have poor people live north of 8 highway,Just think if inclusion was enforce instead of weaken During the home boom downtown ,north county south county eastlake ocean development near highway 905 how many thousand housing would available Not to mention city council getting rd single occupancy for low income it the shame of elect office who fail the homeless so middle class america can feel safe not live next to poor people shane on you



# LATE CORRESPONDENCE MARCH 23, 2023



March 10, 2023

County of San Diego  
c/o Camila Easland  
Planning & Development Services  
5510 Overland Ave., Suite 310  
San Diego, CA, 92123

Via email: [camila.easland@sdcounty.ca.gov](mailto:camila.easland@sdcounty.ca.gov)

## Letter to Planning Commission & Board of Supervisors

On behalf of my clients, in 2018 I stood at the dais at the County Board of Supervisors meeting and encouraged the Board to approve three projects totaling approximately 10,000 housing units. They did so.

None have been built.

Yet, five years later the San Diego region remains severely underserved in achieving housing counts sufficient to erase a deficit that SANDAG estimates to be over 170,000 units. Year after year we do not produce sufficient new housing counts. The gap between supply and demand ever widens and accentuates a perpetual housing shortage.

Everyone is trying, particularly your staff. The current three proposals, CAP, VMT and IHP, each of which I have reviewed and participated in offering my perspective, are thorough and well-intentioned efforts to achieving housing in a way which attempts to balance the competing, and often conflicting needs, of climate action and environmental sensitivity while providing below market rate housing.

There are three general problems which I wish to highlight in this letter:

- None of these programs encourage new housing production within the unincorporated County of San Diego
- Programs such as IHP put the burden on developers. There may be an opportunity to incentivize employers to participate in housing delivery.
- There seems to be little or no connective tissue between these programs.

I will limit my current concerns to these, although I expect to weigh in, later, on other specifics regarding each program.

## Create Zones of Efficiency

My firm has supported the many efforts within the City of San Diego and several other San Diego County municipalities to build in-fill housing. Through Complete Communities, for instance, the City of San Diego has changed the game with respect to offering up creative approaches and programming to encourage developers to build. Some of the smaller municipalities have followed suit. And the State of California has supported these efforts through legislation and mandates.

No amount of “infill” housing can mitigate the substantial decrease in single-family home production that provides larger housing units with multiple bedrooms. This can only be accomplished in the County of San Diego. It is the unincorporated areas that are the prime repositories of vast amounts of land, some of which is suitable for development.

Reflecting back on the County’s approval of housing in 2018, it is hard to believe that some five years later these homes have not been built. These are all master planned communities which, at build out, would add 10,000 units. As a region, we are simply “nibbling around the edges” if we delude ourselves into believing that infill development can sufficiently address the deficiencies. In-fill programs alone can neither build enough housing nor the right type of housing. Most infill results in apartments that are small units and ill-suited for families.

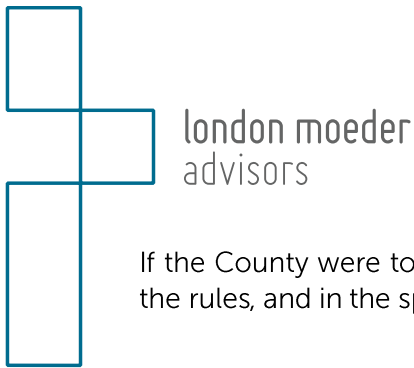
The proposed programs do not increase housing counts. In other words, the County has elected not to participate in providing much needed housing. It is up to the County to address this issue now, and head on. The three land use policies that you have in front of you do nothing to achieve a solution to the deficiencies.

While I fully realize that there are ongoing litigation and regulatory restrictions that are out of the County’s controls, what is in your control is to identify lands which can and should be considered for housing development that can accommodate family formation.

Rather than create, as you have, a de-facto urban limit line, beyond which housing cannot be developed, perhaps create “zones of efficiency” in which those properties that achieve certain standards would be invited to develop. Those zones could include unincorporated lands near the region’s major transportation corridors and employment zones.

I believe this can be achieved in a simple map that defines areas which can be targeted for development under the following, basic philosophy:

- If housing is built near employment centers, there is less commuting, and fewer vehicle miles travelled.
- If housing is built near transportation corridors, there is less carbon emission.
- If housing is built, the very development of this housing tamps down the increase in housing prices, which has been, and will continue to be, bid up over time because of the housing shortage.



If the County were to make this effort, I believe it could be accomplished in full compliance with the rules, and in the spirit, of these new regulatory efforts before you.

## Create Carrots and Sticks To Encourage Employer Participation

The relationship between housing and jobs is fundamental to the demand for housing. Yet your County (you are not alone) remains silent to this fact. While our region has been remarkably successful in attracting and expanding new business clusters in the science and technology sectors, remains a repository of a huge military, and has successfully maintained and grown its tourist related businesses and other business sectors, we have not concomitantly considered how this has pressured the housing market.

The best transportation solution is to put housing near jobs. In your programming, I would suggest that you focus on this relationship. Perhaps the County could be at the forefront of programming which encourages employers to get involved with the housing of their employees (the carrot) and discourages business development which further festers the problems of inadequate housing, long commutes, congestion and carbon emission (the stick).

The VMT and CAP programs, in effect, focus on regulating housing developers. They would be significantly more powerful if these focused on employers. Programming including encouraging development on or near business locations, incentivize off-hour commutes, encourage employers to get involved with actual housing construction ventures or create housing purchase and financing assistance would all be helpful. Some of this may require working to amend State of California law which regulates proprietary housing. But if ever there was a time to do it, now would be the time.

This is fertile ground for a County that seems to be philosophically aligned with solving housing problems. Addressing the connection between housing and jobs gets to the heart of the issue.

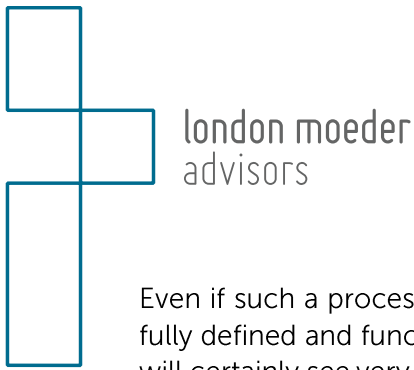
## The Need for Connective Tissue

I am concerned that the County is embarking on a "piecemeal" approach to addressing issues, rather than a comprehensive, holistic approach.

If these policies remain in their current state, in my view this will severely limit the potential for new housing applications—something the County can ill afford in the specter of our long-standing housing shortage. The goal should be for all of them to work together seamlessly,

In their current state, these housing policies cannot be evaluated by a serious, professional builder-developer in making their feasibility determinations. Unknowns do not work in this regard. Thus, these three policies may be creating a de facto moratorium on new housing in the County.

Our recommendation is that the County incorporate the definition of these three important policies on a concurrent basis. Create the connective tissue that would have the effect of eliminating the "piecemeal" approach it has pursued to date.



Even if such a process were to be implemented, how far are we away from having these policies fully defined and functional—three to five years, maybe, post EIR work? In that period, the County will certainly see very few new housing applications.

Here are some thoughts regarding each:

#### [The Climate Action Plan \(CAP\).](#)

Among other important topics here, one of high importance would be how the County plans to address Greenhouse Gas (GHG) evaluation methods and their mitigation measures.

As we all witnessed over the last 10+ years or so, County policy regarding this one topic (GHG) proved quite controversial and ultimately negatively impacted the viability of thousands of otherwise feasible and urgently needed new housing.

Until this policy is fully defined, vetted, and adopted, it would be impossible for a prudent builder-developer to proceed with any new investment consideration in the unincorporated County. Does the County have a project adoption date for this important policy?

#### [Vehicle Miles Traveled \(VMT\).](#)

The County has adopted a Transportation Study Guide (TSG), which is a start to developing a comprehensive, well-defined policy.

With the TSG start, the County now needs to add in the important components that truly allow a builder-developer a complete understanding of the impacts of this policy on a new development in consideration. There are a few important points here:

VMT Efficient Areas. The county has physically defined this geography, but it remains unclear just how much land within this definition is truly developable AND what the mitigation costs will be exactly, within this definition. More importantly, what about mitigation costs for possible projects “outside” of this area?

We understand an internal county (PDS) analysis, presented to the Planning Commission in January 2022, indicates that the two primary sources of buildable land—VMT Efficient Area and Infill (Village)—are largely built-out—and will produce only a small fraction (perhaps 10%) of the volume the County suggests (approximately 4,000 homes).

When taking either of these figures—4,000 or 400 possible future new homes—in consideration of the 58,000 home unbuilt capacity of the current General Plan—one would immediately question the County’s thought process here. For example:

- Are the VMT Efficient area homes (whether 4,000 or 400) intended to fulfill both the County’s current and future RHNA obligations? How does that work?

- What about the 54,000+ remaining unbuilt homes in the General Plan? We understand preliminary/current thinking from the County is that mitigation fees for proposed homes outside of the VMT Efficient areas are quite exorbitant and infeasible.

Until a fully formed VMT policy is determined (and it would appear the County could have some significant hurdles ahead of it to overcome), applications for new housing will remain at the current nil status.

### [Inclusionary Housing Policy \(IHP\)](#)

The current released information should achieve a better relationship with the CAP and VMT subjects. Here are some preliminary comments:

- The IHP appears directly linked and ergo, reliant on VMT policy, the impacts of which are now obvious. We are talking about the most minimal amounts of housing volumes.

The County lists numerous research input to its process. Some thoughts here:

- **Competitive Survey Results.** A County summary of the conclusions drawn from this research would be quite helpful. What did the county learn from this process that was adopted in the current policy?

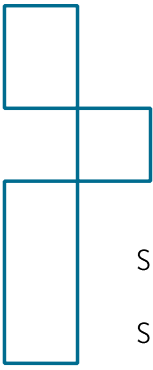
One notes that a large component of this survey, even locally, comes from city jurisdictions that are either largely coastal and/or with significant urban components--i.e., Del Mar, Encinitas, Carlsbad, San Diego, Pismo Beach, Los Angeles County.

- **Project Participation Rates.** The county's IHP policy tested project participation rates that exceed 10% (i.e., 15% to 20%), and as referenced above, it is our experience that such rates (above 10%) are extremely impactful to viable new housing programs, particularly in (San Diego) unincorporated county locations.

## Some Final Thoughts

It has been more than 10 years since the County adopted its current General Plan update. The three policies referenced herein should be defined in terms of this update for the County to achieve a truly effective General Plan—one that would support the volumes of new housing we so desperately need.

One final suggestion: It would be EXTREMELY helpful if the County would allow public review and comment periods regarding such impactful, long-term policies as these beyond the minimal 45 days given at this juncture. We believe the County would engage in a more comprehensive, thoughtful approach to receiving like-kind input from its many stakeholders. Ninety to 120 days would be more sufficient—especially for a policy the County has been working on for more than 18 months.

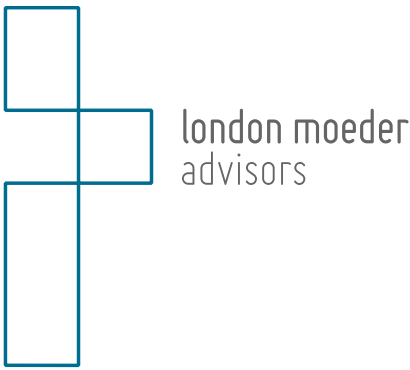


london moeder  
advisors

Should you have any questions regarding this letter, please feel free to contact me.

Sincerely,

Gary H. London, Senior Principal  
London Moeder Advisors



# Corporate Profile

## London Moeder Advisors

### REPRESENTATIVE SERVICES

Market and Feasibility Studies	Development Services	Litigation Consulting
Financial Structuring	Fiscal Impact	Workout Projects
Asset Disposition	Strategic Planning	MAI Valuation
Government Processing	Capital Access	Economic Analysis

London Moeder Advisors (formerly The London Group) was formed in 1991 to provide real estate advisory services to a broad range of clientele. The firm principals, Gary London and Nathan Moeder, combine for over 60 years of experience. We have analyzed, packaged and achieved capital for a wide variety of real estate projects. Clients who are actively pursuing, developing and investing in projects have regularly sought our advice and financial analysis capabilities. Our experience ranges from large scale, master planned communities to urban redevelopment projects, spanning all land uses and development issues of all sizes and types. These engagements have been undertaken principally throughout North America and Mexico.

A snapshot of a few of the services we render for both the residential and commercial sectors:

- **Market Analysis** for mixed use, urban and suburban properties. Studies concentrate on market depth for specific products, detailed recommendations for product type, absorption and future competition. It also includes economic overviews and forecasts of the relevant communities.
- **Financial Feasibility Studies** for new projects of multiple types, including condominium, apartment, office, and master-planned communities. Studies incorporate debt and equity needs, sensitivity analyses, rates of return and land valuations.
- **Litigation support/expert witness services** for real estate and financial related issues, including economic damages/losses, valuations, historic market conditions and due diligence. We have extensive deposition, trial, mediation and arbitration experience.
- **Investment studies for firms acquiring or disposing of real estate.** Studies include valuation, repositioning projects and portfolios, economic/real estate forecasts and valuation of partnerships. Often, the commercial studies include the valuation of businesses.
- **Estate Planning services** including valuation of portfolios, development of strategies for disposition or repositioning portfolios, succession planning and advisory services for high net worth individuals. We have also been involved in numerous marriage dissolution assignments where real estate is involved.
- **Fiscal Impact, Job Generation and Economic Multiplier Effect Reports,** traditionally prepared for larger commercial projects and in support of Environmental Impact Reports. We have been retained by both developers and municipalities for these reports. The studies typically relate to the tax revenues and employment impacts of new projects.

The London Group also draws upon the experience of professional relationships in the development, legal services, financial placement fields as well as its own staff. Clients who are actively investigating and investing in apartment projects, retail centers, commercial projects, mixed use developments and large master plans have regularly sought our advice and financial analysis capabilities.

**San Diego:** 825 10<sup>th</sup> Ave | San Diego, CA 92101 | (619) 269-4010  
**Carlsbad:** 5946 Priestly Dr #201 | Carlsbad, CA 92008 | (619) 269-4012

# LATE CORRESPONDENCE

## MARCH 23, 2023

**Gaines, Georgina**

---

**From:** Easland, Camila  
**Sent:** Monday, February 27, 2023 10:59 AM  
**To:** hblackson@avrpstudios.com  
**Cc:** Talleh, Rami; Madrid, Michael; Lieberman, Tara  
**Subject:** RE: Inclusionary Labor Incentive Idea

Hi Mr. Backson,

Thank you so much for sharing your recommendations.

Could you please provide some examples of incentives and development standard waivers that you are recommending? Are they essentially the same (e.g., height increase, setback reduction, etc.)?

Regarding the labor agreement, are you recommending that we add this as something the developer can elect to do in order to access additional incentives? Do you know of any other jurisdictions that have a similar model as part of their inclusionary housing program? As you pointed out, this is a model used in CA law (e.g., Sb 35, AB 2011, etc.), but it would be helpful to check an inclusionary housing program with similar features.

Also, we will hold a public meeting on 3/1 at 6 PM. I hope you can join the meeting. Registration link: <https://us06web.zoom.us/j/86885723040>

Thank you!

Best regards,

Camila Easland  
Pronouns: she/her/hers  
Land Use / Environmental Planner, Long Range Planning  
Planning & Development Services  
5510 Overland Ave., Suite 310, San Diego, CA, 92123  
[camila.easland@sdcounty.ca.gov](mailto:camila.easland@sdcounty.ca.gov)  
(619) 323-7362

For local information and daily updates on COVID-19, please visit [www.coronavirus-sd.com](http://www.coronavirus-sd.com). To receive updates via text, send **COSD COVID19** to **468-311**.



---

**From:** Howard Blackson <[hblackson@avrpstudios.com](mailto:hblackson@avrpstudios.com)>  
**Sent:** Tuesday, February 21, 2023 1:08 PM  
**To:** Lynch, Dahvia <[Dahvia.Lynch@sdcounty.ca.gov](mailto:Dahvia.Lynch@sdcounty.ca.gov)>  
**Subject:** [External] Inclusionary Labor Incentive Idea

Dahvia,

I saw your Inclusionary Housing program. Here's a new idea I'd like to share for your consideration:

Step 1, think in terms of standards **Inclusionary Housing** programs.  
Step 2, think in terms of IH development carrot percentages (for example):



- 10% AH at 80% AMI = 1 Incentive + 5 Development Standard Waivers
- 20% AH at 30% AMI = 3 Incentives + Unlimited Dev Stnd Waivers

Step 3, think in terms of **Labor Agreement Types** Incentives (for example):

- Prevailing Wage (20% AH @ 80% AMI) = 1 incentive + 3 Development Standard Waivers
- Apprenticeship program + Prevailing Wage (20% AH @ 80%AMI) = 3 Incentives + 5 Development Stnd Waivers
- Project Labor Agreement + Prevailing Wages + Apprentice (20% @80AMI) = 5 Incentives + Unlimited Stnd

Waivers

What I think I'm fixing are the following:

- Add labor without drastically limiting AH % options on-site, such as SB6 = 10% AH, and AB2011 = 28% AH
- Addressing the Building Industry financing concerns by incentivizing new labor agreements.
- Making labor strong in CA, adding good low-skilled paying jobs, improving construction standards

Have you seen any development incentives for labor agreements before? If I didn't explain this well enough, please ask as it's an idea at this point. Again, thank you for your time and consideration.

**Howard M. Blackson III, CNUac**

Director of Urban Design

**AVRP Studios**

Mobile (619) 955.2559

[www.howardblackson.com](http://www.howardblackson.com)

San Diego Inclusionary Housing Program  
Draft Ordinance Comment (POD-20-007)  
Michelle Krug

**Accessibility:** There is no mention of accessibility married to the affordability. This is a major problem. For the disabled community, this is a very significant oversight. My request is that a minimum 50 percent of the affordable housing should likewise be accessible and that there be incentives to promote construction of additional accessible units beyond that minimum.

**Definitions, Section 1100 of the Zoning Ordinance, subsections 2 & 3 (Page 2)**

- Clarification: Is purchase mortgage insurance included in the “monthly housing payments” calculation?
- Issue: Please add to the definition of Rehabilitated Dwelling Unit, after the word mobilehome, “as defined in Civil Code section 798.3, subsections a and b.”

**Applicability, Section 6341.b, subsection 1 (Page 3-4)**

- Preference on options: Prefer option 1 over the other two options.

**Affordable Housing Unit Compliance, Section 6341.c, subsection 1 (Page 4-5)**

- Comment of Tables: “Example of calculation for a project” would be easier to understand if 100 units was used and the same number of units was used for all three scenarios (rent, sale, and general plan).
- Inquiry: I need information about how the economically feasible scenarios were calculated. It does not make sense that the same 5% percent for both extremely low and very low income categories are deemed “economically feasible.” We should be able to include more very low to be economically feasible.
- For the General Plan Compliant for Rent: Want an option that includes all four categories of AMI, including “extremely low-income.” Of all the options, that are currently listed, I prefer the 5% very low + 5% low + 10% moderate (21a) option.
- For the General Plan Compliant for Sale: Want an option that includes all four categories of AMI, including “extremely low-income.” Of all the options, that are currently listed, I prefer the 5% low + 10% moderate (18a) option.
- Duration of Affordability: Really like the 55 years deed requirement!

**In Lieu Fees, Section 6341.1d, subsection 1 (Page 6-7)**

- Issue: No amounts are listed for how much the in lieu fees should be. (Should cost double what it cost to build it.) Unclear how the in lieu fees are calculated.

- Issue: In lieu fees do not generate housing. Against any in lieu fees in exchange for housing. Housing is the crisis. Opposed to all three options under this subsection (100% under 10 units, 100 percent, and fractional).
- Issue: Affordable housing inclusionary fund should be able to rehab housing, as well.
- Issue: All money should go the rehabbing or construction of affordable housing. Money should be used to build housing. Should not use it for administration and enforcement direct costs.

#### **Off-Site Construction, Section 6341.1d, subsection 2 (Page 7)**

- Issue: For the exceptions to the one-mile requirement, only support exception where the additional 5 percent of the housing is restricted to building for a lower AMI--for 0 to 60 percent AMI.

#### **Land Donation, Section 6341.1d, subsection 4 (Page 9)**

- Issue: Why is there a restriction on the donation of land where the property was improved with a residential use in the last five years prior to the submission of a land donation proposal?
- Issue: One of the major goals of housing inclusivity, is to mix people's income levels up. Low-income living near medium income. Building off-site should be generally discouraged to avoid this separation of income-levels.
- Issue: The same ambiguity regarding the in lieu fees and how those fees are calculated make this section difficult to assess.

#### **Rehabilitation, Section 6341.1d, subsection 5 (Page 10)**

- **Issue:** Don't take 100 percent affordable housing units and turn them into less than 100 percent affordable housing. (eg. PQ Village).