

February 6th, 2025

City of San Diego **City Council**

San Diego, CA 92101









Honorable Members of the City Council,

We are writing as a concerned group of housing and mobility advocates and industry professionals on the recent City Council vote requesting an action item to remove the Accessory Dwelling Unit Bonus Program. If the City Council repeals the program, it will mark the end of years of continuous progress made on housing policy. We encourage the City Council to act sensibly to preserve San Diego's well-earned reputation as a pro-housing city.

One of the primary reasons for San Diego's remarkable increase in housing production is our city's nationally recognized pro-housing policies. In 2023, the Terner Center, a leading housing research institute at UC Berkeley, published a white paper noting San Diego's standout success in spurring missing middle housing¹. The ADU Bonus Program is largely responsible for that success.

The researchers noted that not only has the program increased overall housing supply, but it also aims to "incentivize the creation of deed-restricted housing without public subsidy." The ADU Bonus Program has continued to garner interest and accolades since its inception including winning the national Ivory Prize for Housing Affordability in 2024. The reason for this is simple. The ADU Bonus Program has worked tremendously well at building middle income housing without public subsidies, a category that before the program's inception saw virtually no production.

The framework of the ADU Bonus Program makes sense. The new homes built are all located near transit where additional infill growth helps meet our city's climate and mobility goals. The projects also adhere to building size and height requirements of the zone. About half of the homes are deed-restricted as affordable to lower and moderate-income households. Without these homes, we would have more San Diegans struggling to afford to live in our city.

A lot of good has come from the ADU Bonus Program policy and losing it completely would be a setback on our city's path to providing housing for all income levels.

Respectfully,

Mott Smith, Board Chair The Council of Infill Builders

Will Moore, Policy Counsel **Circulate San Diego**

Manny Rodriguez, VP **YIMBY** Democrats of San Diego

Lori Holt Pfeiler, President & CEO BIA San Diego County

Stephen Russel, Executive Director San Diego Housing Federation

Justine Murray, Executive Director San Diego Regional Chamber of Commerce

Ricardo Flores, Executive Director LISC San Diego

¹San Diego's Success in Spurring Missing Middle Housing: The Accessory Dwelling Unit Bonus Program - Published On February 15, 2023 – <u>Terner</u> Center, UC Berkeley