



November 17, 2025

Honorable Chairwoman Lawson-Remer
San Diego County Board of Supervisors
1600 Pacific Highway
San Diego, CA 92101

RE: Item #1 - San Diego County “Housing Workshop” - Building Industry Association of San Diego Comments

Honorable Chair Lawson-Remer and County Supervisors:

The Building Industry Association of San Diego (BIA) represents over 20,000 workers in the development and construction industry. Our members and their employees, contractors, subs and others, build the housing that San Diegan’s so desperately need. The BIA advocates for pro-housing policies and solutions, and has been a long-standing stakeholder in the County of San Diego (County).

We are encouraged the County is holding a “Housing Workshop” to better understand the barriers to building more housing and the County’s many concurrent planning efforts that impact housing. We hope this is the beginning of a more thoughtful approach, one former Chair Nora Vargas called for last August during the Inclusionary Housing Ordinance. At that time, then-Chair Vargas called for “a more comprehensive and effective approach” that would “provide opportunities for home ownership and stable affordable housing for middle income communities”. This workshop continues that spirit of improving the policy landscape in a holistic way that we are appreciative of.

While the Board considers these concurrent planning efforts, the BIA’s comments are guided by our belief that the County has already made the critical decision of *where* to direct development. The General Plan Update, adopted in 2011, established a series of Villages across the county to facilitate infill development in an equitable and inclusive manner by focusing on more moderate to medium-high densities. As stated in the Board Agenda, “**The General Plan emphasizes smart growth principles and directs compact, sustainable development into existing Village centers** while preserving surrounding Semi-Rural and Rural lands.”

This is an important fact upon which to base future direction and decisions. While subsequent changes in state law, including those around GHG and VMT, prioritized where new development should occur, these were *already* considered by the Village Development Model. The General Plan Update did the following:

- REDUCED Vehicle Miles Traveled (VMT) by 13.5% compared to the prior General Plan.
- REDUCED impacts to Greenhouse Gas Emissions/Global Climate Change to Less Than Significant.
- REDUCED exposure to wildfire by avoiding the most fire prone areas.
- REDUCED impacts to sensitive biological and cultural resources by concentrating new housing in previously developed areas.

These reasons are why the BIA supports efforts to encourage and facilitate development in the Village Regional Category Countywide. The BIA agrees with the statement that “Housing solutions benefit all segments of the population, including providing housing for those experiencing homelessness, seniors, and vulnerable populations that need steady housing.” We know these populations don’t just live in the DFA areas; therefore, the solutions need to be implemented Countywide to be inclusive and equitable.

Focusing in Village areas is the most effective path to create feasible development projects that can bring larger quantities of housing to reality, instead of the current reliance on ADU’s and lot splits. We believe this focus on Villages is also conducive to relying on the General Plan Program EIR for environmental analysis as permitted by state law for General Plan-compliant projects. While state law has changed, the ability to rely on a previous General Plan Program EIR has not, as evidenced by *Hilltop Group vs. County of San Diego*.

Our comments are organized to address the three items outlined in the Agenda.

#1. Current State of Housing Production

Based on the prior General Plan Annual Progress Reports, the BIA does not agree with the County’s tracking of housing unit production for purposes of demonstrating RHNA compliance. Please refer to [Attachment #1, Comment Letters on the 2024 General Plan Annual Progress Report](#) (San Diego BIA, Nolen Communities)

#2. Results from the Board-directed Development Feasibility Analysis

While there are areas of disagreement, the BIA agrees with several of the key takeaways from the DFA, including the identification of County-wide barriers to

development and many of the recommendations. See [Attachment 2, BIA Comments on the Development Feasibility Analysis](#).

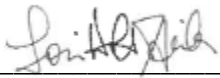
#3. Housing Development Priorities

The BIA has prepared a Comprehensive Housing Implementation Plan & Strategy (CHIPS) as part of our comments on the Development Feasibility Analysis. Please refer to Attachment 2A.

Based on our comments, the BIA makes the following request of the Board:

Direct staff to work with the Building Industry on an Implementation Strategy and Plan that will identify effective solutions to construct housing, including attainable (“missing middle” housing) and affordable housing, with a priority in the Village Regional Category. Report back in 90 days on what actions are feasible in calendar year 2026 with a plan and schedule for adopting near-term solutions, as well as identifying what medium- and long-term policies are most likely to support Village development.

Respectfully Submitted,



Lori Holt Pfeiler, CEO

Building Industry Association of San Diego

CC: The Honorable Supervisor Paloma Aguirre, District 1
The Honorable Supervisor Joel Anderson, District 2
The Honorable Supervisor Monica Montgomery Steppe, District 4
The Honorable Supervisor Jim Desmond, District 5
Ms. Dahvia Lynch, Deputy Chief Administrative Office
Mr. Vince Nicholetti, Planning and Development Service, Director
Mr. Rami Talleh, Planning and Development Services, Deputy Director
Ms. Inga Lintvedt, County Counsel



April 22, 2025

The Honorable Terra Lawson Remer
Vice Chair, Board of Supervisors
County of San Diego
1600 Pacific Highway
San Diego, CA 92101

Subject: County of San Diego General Plan Annual Progress Report

Dear Vice Chair Lawson Remer,

On behalf of the Building Industry Association of San Diego County (BIA), I want to express our grave concerns about the ongoing housing crisis and its profound impact on our region's well-being.

The 2024 General Plan Annual Progress Report is further indication of a trend that there is not sufficient housing being built to house more of our local workforce here at home, reduce commuter traffic and carbon emissions, or support economic growth and regional equity.

Since 2022, the County of San Diego (County) has experienced an annual decline in the number of building permits issued, from 1,511 permits issued in 2022, to 1,088 issued in 2024. At the same time, the number of permits issued for Accessory Dwelling Units (ADUs) has increased, from 338 in 2022, to 489 in 2024. Additionally, the County has issued permits for only 126 deed-restricted units for this Regional Housing Needs Assessment (RHNA) Cycle. Of the remaining non-deed-restricted units being counted as “affordable”, 683 are ADUs. Suffice it to say that the County has heavily relied upon ADUs to meet its RHNA goals, so much so that 45% of the building permits issued last year were for ADUs.

Furthermore, our analysis, detailed in the *VMT Public Policy Impact Analysis* and its addendum, reveals a severe lack of housing production, driven by restrictive policies and a lack of a cohesive strategy to address this critical issue.

San Diego County is facing a dire housing shortage, with an estimated deficit of 72,000 units. This shortage has far-reaching consequences, including:

- **Economic Harm:** Businesses struggle to attract and retain talent, hindering our region's economic competitiveness. San Diego County is on track to add over 130,000 new jobs by 2035. We're only on pace to build around 80,000 new housing units in that same time. That leaves a shortfall of at least 50,000 homes, which is already pushing prices up and pushing working families out.
- **Population Loss:** The high cost of living, driven by housing costs, is forcing residents to leave San Diego County. Over the past four years, the county has experienced a net outmigration of 13,679 persons.
- **Increased Commuting and Emissions:** The lack of housing options forces workers to live farther from their jobs, resulting in longer commutes and increased greenhouse gas

emissions. Today, over 140,000 people commute into San Diego County from neighboring regions like Riverside, Imperial, and south of the border. Daily commutes into San Diego County from Riverside County and Tijuana result in an estimated 1.01 million metric tons of carbon dioxide equivalents (CO₂e) emissions annually.

- **Decline in Housing Production:** The County's policies, particularly the implementation of Vehicle Miles Traveled (VMT) guidelines, have created significant barriers to new housing development. In 2024, permitted units in the Unincorporated Area dropped by 11%, and completed units dropped by 24% compared to 2023.
- **Limited Development:** VMT policies have particularly hindered the development of master-planned communities in the Unincorporated Areas, which are crucial for providing a variety of housing options. Nearly 10,000 proposed units from master-planned communities in the Unincorporated Areas were halted due to various challenges, further limiting housing supply.

The decisions made by this Board will have a profound impact on the future of San Diego County. We urge you to prioritize policies that promote housing production, economic growth, and a sustainable future for all our residents.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lori Holt Pfeiler", written in a cursive style.

Lori Holt Pfeiler
President & CEO

cc: The Honorable Joel Anderson, Supervisor, District 2
The Honorable Monica Montgomery Steppe, Supervisor, District 4
The Honorable Jim Desmond, Supervisor, District 5



Wednesday, April 23, 2025

Vice Chair Lawson-Remer
San Diego County Board of Supervisors
a1600 Pacific Highway
San Diego, CA 92101

Re: Item #3 - San Diego County 2024 General Plan Annual Project Report

Vice Chair Lawson-Remer and Honorable Supervisors,

Nolen Communities, LLC (Nolen) appreciates the opportunity to comment on San Diego County's 2024 General Plan Annual Project Report (APR). The APR is required by State Law to track progress towards a jurisdictions' goals and policies under the Regional Housing Needs Allocation (RHNA) and Housing Element. As the Board letter states, "Annual reporting on the County's General Plan and Housing Element implementation ***provides transparency and keeps the public informed about the impact of the County's programs and initiatives intended to help facilitate the production of housing...***" (p. 1) ***(emphasis added)***

Unfortunately, the 2024 APR continues a concerning trend of presenting data that depicts an inaccurate overview of the impact the County's programs and initiatives are having on housing production. Rather than addressing the core problem – not enough homes and apartments are being approved and built - the County instead is overly relying on one housing typology that is not guaranteed to even be available to renters to meet its RHNA numbers, while slow-playing important Actions from the Housing Element which may improve the conditions for entitling a variety of housing options.

We demand better transparency in the County's APR numbers and a clear explanation of the impact of County policies like vehicle miles traveled (VMT), implementation of required Housing Element Actions, and the results of the Development Feasibility Analysis, on the production of new housing, including deed-restricted units that will actually benefit low- and moderate-income households, rather than ADUs that may never be rented or only used as vacation rentals.

Finally, we insist the County complete the mandatory actions outlined in the Housing Element Update Implementation Plan, in particular Actin 3.1.3.A to update the Zoning



Ordinance which was supposed to have been completed by 2023 and is only now starting and not likely to be adopted until at least 2026, three years after the HEU promised and 15 years following the adoption of the “Smart Growth” General Plan Update in 2011.

A. Discretionary Housing Projects

In 2024, the County approved 183 discretionary units. While this was an improvement compared to the 52 units approved in 2023,¹ it remains well below the level needed to ensure a healthy, diverse supply of housing opportunities.

Why?

Because discretion is typically, though not exclusively, required for “subdivisions”, or the creation of individual lots and units “for-sale”. Instead of ministerial projects – typically Accessory Dwelling Units, 100% Affordable Housing projects, and Apartment/Rental projects which result in a uniform housing stock, discretionary permits offer future buyers the opportunity to built wealth through the benefits of homeownership. This benefit is not available for most ministerial projects.

However, since 2021, the County has approved an average of 157 units/year, which is the lowest four-year average for at least the last 11 years. This is reflected in Table 1. At this pace, it would take the County 42 years to meet the RHNA total.

TABLE 1. 4-Year Average of Discretionary Approved Units (2018-Present)

	DISCRETIONARY UNITS APPROVED BY YEAR (SD COUNTY)									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TM	128	207	590	196	382	499	120	35	0	176
TPM	18	22	12	24	9	14	9	15	4	5
SDPs	116	60	402	130	20	93	92	108	48	2
UNITS	262	289	1004	350	411	606	221	158	52	183
4yr Average				494.25	530.75	605.5	405.5	358.75	269	157.25

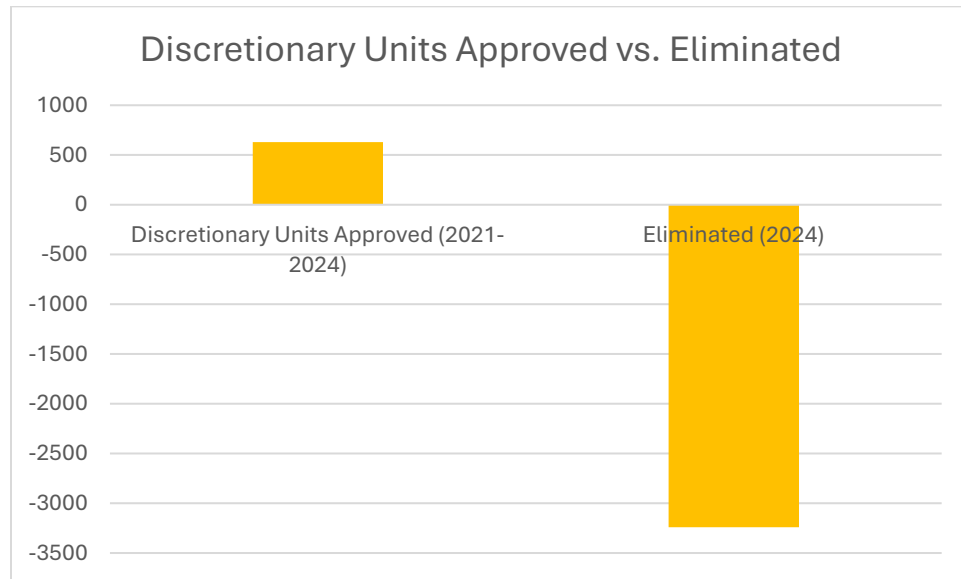
Not only is the County simply not approving discretionary projects, it is actually amending approved projects to REDUCE the number of permitted units. In fact, the County lost FIVE TIMES more entitled units last year (3,241) than it has entitled since the Housing Element Update (629). As shown in Figure 1, the County lost 3,241 units of approved housing

¹ 52 units is the total of new, discretionary units including



between the Otay 250/Otay Majestic and Valiano projects, compared to the 629 units approved since 2021.

FIGURE 1



The conversion of the Otay 250 project, from a Master Plan residential community with 3,158 units to millions of square feet of industrial/warehouse is particularly troubling because this was the single-largest site in the Housing Element Inventory. Accounting for an estimated 2,210 units (including 663 “lower” income units), the Otay 250 project made up about 1/3 of the total RHNA inventory with new, modern, mixed-use units. However, the return of this project to industrial warehouses due to litigation with environmental stakeholders resulted in a vacuum of new units in an area projected to grow. In its place, as described below, the County is relying on ADU’s to meet the “lower” income categories.

Unfortunately, this trend towards losing units, rather than building units, is not new. Over 9,000 housing units have been removed from development, either by legal action from the environmental community (Otay Ranch Village 14, Newland Sierra, Otay 250), acquisition for habitat conservation purposes (Otay Ranch Village 14, Otay Ranch Village 15, Montecito Ranch) or through approving a far-less dense project than permitted by the General Plan (Park Circle). Table 2 summarizes the loss of these units since 2017.



TABLE 2. Loss of Discretionary Approved Housing Units

Project	Units Lost	Reason/Explanation
Otay 250	3,158 units	Converted to industrial due to litigation from environmental groups.
Newland Sierra	2,150 units	Overtured due to litigation from environmental groups.
Otay Ranch Village 14–	1,713 units	Overtured due to litigation from environmental groups and acquisition for conservation purposes.
Otay Ranch Planning Area 16/19	410 units	Overtured due to litigation from environmental groups and acquisition for conservation purposes.
Otay Ranch Village 15	483 units	Eliminated due to acquisition for conservation purposes.
Park Circle	817 units	Reduced unit count below the General Plan allocation.
Montecito Ranch	417 units	Acquired for conservation purposes.
Valiano	83 units	Eliminated due to litigation from community group.
TOTAL	9,231 units	

Eliminating the opportunity for CEQA challenges would materially improve the conditions for housing proponents, homebuilders and property owners to build more housing across the unincorporated County. Updating the Zoning Ordinance to allow projects to achieve their General Plan density and build more modern housing products would facilitate more discretionary projects by providing more flexibility for project proponents.

B. Discretionary Housing Project Applications Submitted (“Pipeline Projects”)

The 2024 APR touts an increase in the number of units in the County “pipeline”, noting a total of 16 housing development applications totaling 2,025 housing units were submitted. However, these statistics belie the reality that most of the projects, 14 of the 16, account for only 144 units, while 93% of these units (1,881 homes) are in just two projects. Over 1,300 are in Borrego Springs, and 575 are in Valley Center, neither of which are VMT efficient areas, and both of which are likely to face immense scrutiny – the same type of legal scrutiny that has overturned the projects referenced above.

This adds to an existing “pipeline” of projects that will face increasingly difficult entitlements due to the recent appellate court ruling overturning the County’s ability to rely on the Transportation Study Guidelines (TSG) to exempt “infill” areas from further VMT Analysis. The County previously provided a summary of “pipeline” projects (pre-2024) that included 1,371 units within VMT efficient and Infill Areas. However, a closer review of these



projects indicates that 1,184 units (or 86.46%) were in “Infill” areas which no longer have coverage for potential VMT impacts under the County’s TSGs and may be subject to additional environmental review and scrutiny.

When combined with the 1,881 such units submitted in 2024, at least 3,065 units of the pending 3,396 homes (or over 90%) are not in VMT efficient areas. The implications of this are grim for new housing in the County.

C. Regional Housing Needs Assessment (Sixth Cycle) Progress

As noted in the APR, the County has seen a significant decrease in building permit activity, including a 28% decrease between 2022 and 2024. However, despite the fact that 423 FEWER building permits were issued in 2024 than in 223 (and 132 fewer than in 2023), the number of units the County has credited as very-low, low and moderate has INCREASED by 20%, despite record home prices, inflation and high costs. Specifically, in 2024 the County tallied 658 units qualifying as “very-low”, “low”, or “moderate”, compared to 548 in 2022 and 493 in 2023. Table 3 shows how the number of “very-low”, “low,” and “moderate” units have changed while the overall number of building permits has decreased.

TABLE 3. Increase in Very-Low and Low Building Permits (2022-2024)

Affordability Level	2022	2023	2024	% Change (2022-2024)
Very-Low	132	101	149	12.9%
Low	181	176	285	57.5%
Moderate	235	216	224	-4.7%
Above Moderate	963	727	430	-55.3%
TOTAL	1,511	1,220	1,088	-28.0%

This increase can be attributed to the growing number of Accessory Dwelling Units (ADUs) being permitted annually by the County. As shown in Table 4, since 2021 approximately 30% (1,552 or 5,244) of permits issued by the County have been ADUs. 2024 was a high-water mark, with 489 ADU’s permitted, which made up 45% of all building permits. These units make up a significant portion of the “very-low”, “low” or “moderate” income units. Specifically, by our count, the County has attributed 261 ADUs as “very-low”, 422 as “low”, and 565 as “moderate” income.



TABLE 4. Increase in ADUs as % of RHNA Units (2021-2024)

Year	ADUs	BP	%
2021	299	1,425	21.0%
2022	338	1,511	22.4%
2023	426	1,220	34.9%
2024	489	1,088	44.9%
TOTAL	1,552	5,244	29.6%

Accordingly, as shown in Table 5, ADU's compose approximately 59% of "very-low" income units, 43% of "low" income units, and 45.5% of "moderate" income units, despite no assurance at the time of permit issuance that the ADU will be affordable, or even rented. However, according to the Bipartisan Policy Center, only 27% of completed ADU's qualify as low- or moderate-income units²; but in 2024 the County is taking credit for 89.6% (438 of 489) of ADUs as very-low, low or moderate.

TABLE 5. ADU's as % of Building Permits by Income Category

Affordability Level	ADUs	TOTAL BPs	%
Very-Low	261	440	59.3%
Low	422	988	42.7%
Moderate	565	1242	45.5%

This is counter to the County's own Housing Element Goal Housing 1, which states that the FIRST GOAL (H-1) is "**GOAL H-1. Housing Development and Variety. A housing stock comprising a variety of housing and tenancy types at a range of prices**, which meets the varied needs of existing and future unincorporated County residents, who represent a full spectrum of age, income, and other demographic characteristics." (**emphasis added**) In addition to Goal H-1, such an approach also conflicts with Policy H-1.6 which states "H-1.6 Land for All Housing Types Provided in Villages. **Provide opportunities for a variety of housing types, including small-lot single-family, duplex, triplex, and other multi-family building types** in Villages."

² Minott, Owen. September 12, 2023. Dwelling Units (ADU) in California. Bipartisan Policy Center. Accessory. <https://bipartisanpolicy.org/blog/accessory-dwelling-units-adus-in-california/#:~:text=The%20majority%20of%20ADUs%20coming,for%20all%20new%20permitted%20housing>. Last access April 22, 2025



Not only is this reliance on ADUs counter to the Housing Element's Goals and policies, but it also runs afoul of state law. Specifically, California Government Code § 65583.1 which dictates how a jurisdiction can take credit for ADUs in its housing element. It states:

(a) The Department of Housing and Community Development, in evaluating a proposed or adopted housing element for substantial compliance with this article, may allow a city or county to identify adequate sites, as required pursuant to [Section 65583](#), by a variety of methods, including, but not limited to, redesignation of property to a more intense land use category and increasing the density allowed within one or more categories. The department may also allow a city or county to identify sites for accessory dwelling ***units based on the number of accessory dwelling units developed in the prior housing element planning period*** whether or not the units are permitted by right, the need for these units in the community, the resources or incentives available for their development, and any other relevant factors, as determined by the department. Nothing in this section reduces the responsibility of a city or county to identify, by income category, the total number of sites for residential development as required by this article.

Further, § 65852.2(m) clarifies “A local agency may count an accessory dwelling unit for purposes of identifying adequate sites for housing, as specified in subdivision (a) of Section 65583.1, subject to authorization by the department and compliance with this division.”

As shown in Table 6, below, during the prior planning period, the County issued approximately 504 Building Permits for ADUs (based on numbers reported in the General Plan Annual Progress Reports for 2013 through 2020). Accordingly, ADUs comprised approximately 9.1% of the total Building Permits issued during the prior housing element planning period.

TABLE 6

Year	ADUs	BP	%
2013		480	0.0%
2014	27	717	3.8%
2015	25	867	2.9%
2016	24	582	4.1%
2017	52	655	7.9%
2018	80	728	11.0%
2019	137	862	15.9%
2020	159	623	25.5%
TOTAL	504	5,514	9.1%



Projecting this forward to the County’s Sixth Cycle RHNA obligation of 6,700 units would limit the number of ADU’s that could be counted to approximately 612, or over 900 fewer units compared to the 1,552 ADU’s the County has taken credit for during the current cycle, which constitute roughly 30% of the total building permits.

HCD addressed ADUs in a June 2020 memo entitled Housing Element Site Inventory Guidebook Government Code Section 65583.2. The direction from HCD was to [u]se the trends in ADU construction since January 2018 to estimate new production. This is a conservative option to only account for the effect of the new laws without local promotional efforts or incentives (safe harbor option).”

As shown in Table 6, the County experienced an increase in ADUs in 2018 and again in 2019 and 2020. However, even using the increased ADU permitting activity from 2018 to 2020 only accounted for 17% of Building Permits during that timeframe, which, if applied to the current 6th Cycle RHNA total would limit ADUs to 1,149 permits, approximately 400 FEWER than the County is taking credit for during the planning period. Further, when combined with the estimate from the Bipartisan Policy Center that only 27% of ADUs would qualify as low- and moderate-income units, the actual number of such permits the County should reasonably take credit for is reduced to approximately 310 permits. This is a considerable contrast from the 1,248 ADU’s the County has identified as very-low, low, or moderate income units.

Further, it’s not clear that the use of ADUs toward RHNA should even be permitted unless and until the County accomplishes its “Quantified Objectives” with respect to ADUs. Specifically, in 2021, the County’s 6th Cycle Housing Element – certified by HCD, set forward the following Quantified Objectives for meeting it’s RHNA obligation.

Table 6-4-2: Quantified Objectives

	Extremely Low/Very Low		Low	Moderate	Above Moderate	Total
RHNA	807	1,027	992	1,165	2,709	6,700
ADU	270		216	657	657	1,800
New Construction	75		75	500	1500	2,150
Rehabilitation	40	80	120			240
Conservation	22					22

As shown in Table 6-4.2, the County’s compliance with its RHNA obligation of 6,700 was INDEPENDENT of 1,800 ADUs. The County has not yet met its own objective of 1,800ADUs



separate and above the objective for 6,700 RHNA units. Unless and until the County reaches the above identified objective for ADUs, these units should be excluded from the County's RHNA Obligation progress.

Concerns regarding the reliance on ADU's, as well as other housing typologies, to meet the County's "very-low", "low" and "moderate" income RHNA obligations are due to the County's lack of success facilitating the production of actual deed-restricted housing. While it's understood that state law allows for non-deed-restricted units to contribute to a jurisdiction's RHNA credits, the County's track record of failing to generate housing that is guaranteed to be affordable should be met with a healthy dose of skepticism. Consider that, during the current planning cycle, of the 2,670 permits claimed to be "very-low", "low" or "moderate", only 126 (LESS than 5%) are deed-restricted and guaranteed to be available to qualified very-low and low-income earners (and not a single deed-restricted moderate unit has been produced).

D. Housing Element Site Inventory and Implementation Plan

Perhaps the greatest evidence of why the County has not generated meaningful amounts of deed-restricted housing is due to the shortcomings of the Housing Element Sites Inventory to identify quality candidate sites for affordable housing. Evidence of this is clear based on the number of Housing Element Sites that have moved forward to building permits. In the nearly four years since adoption of the 6th Cycle Housing Element, and post-AB1397 when many of the properties identified in the Housing Element qualify as "By-Right", ***only 9 of the 236 Housing Element sites have moved forward to building permits.*** This is a conversion rate of 3.8%.

In fact, these 9 sites account for a total of 274 units, yet, as explained above, the County has re-zoned the Otay 250 project which previously was identified for 2,210 units in the RHNA; thus, the Site Inventory currently has capacity of at least 1,936 fewer units than the County's RHNA obligation.

Beyond the shortcomings of the Housing Element Sites Inventory, the County has also not met schedules for several critical components of the Housing Element Implementation Plan. Most significant, and relevant to the lack of affordable housing, is the County's outdated Zoning Ordinance. Following the approval of the County's smart-growth inspired General Plan Update in 2011 which significantly shifted County development into Villages and Town Centers, the County failed to prepare a comprehensive update to the 1970's era Zoning Code. This has created several glaring inconsistencies which both the Housing Element Update and pending Development Feasibility Analysis acknowledge.



The Housing Element Update established Action 3.1.3.A which required the County to, “Review the development designators in the Zoning Ordinance, and **amend Code by the end of 2022** as necessary and appropriate **to ensure that a range of housing types and densities can be achieved**, and that the designators **facilitate development at the maximum density allowed by the General Plan.**” (*emphases added*)

Yet, nearly four years after the Housing Element was adopted and certified, the County only recently prepared a scope of work and selected a consultant for what refers to as the “Development Designators” project which is intended to “[combine] multiple Housing Element Implementation actions and a Removing Barriers to Housing Item to analyze the Zoning Ordinance and develop options to align with the General Plan to 1) Expand Housing Diversity and 2) Facilitate RHNA and Multi-Family Site Development and Group Homes.” Omitted from this effort is any effort to ensure the designators “**facilitate development at the maximum density allowed by the General Plan**” as required in the Housing Element.

The expected schedule for this partial completion of Action 3.1.3.A is 2 – 3 years, despite the Housing Element specifying amendments would occur “**by the end of 2022**”. This is at least a four to five year delay, which also affects other Housing Element Implementation Actions including 3.1.1.C, Zoning Ordinance Amendments to Achieve Maximum Density, 3.1.1.D, Diversity of Land Use and Building Type, 3.1.1.H, Housing Yields in Mixed Use Zones, and 3.1.1.K, Expanded Eligibility of Checklist Exemptions. It does not have to take 2-3 years to update the Zoning Ordinance. Nolen has provided a draft plan, the Expedited Permitting and Increased Construction (EPIC) Housing Plan to address select pinch points of the Zoning Ordinance like minimum lot size, building height and typology and the calculation of density based on gross instead of net acres.

E. Development Feasibility Analysis

As referenced above, the County is preparing to distribute the draft findings of the Development Feasibility Analysis (DFA). Based on draft materials and updates generously provided by staff, it is clear that the County has learned through this effort that infill development is simply not feasible because the market does not support the high costs of higher-density product types; however, the County continues to look for ways to force more development into smaller areas. It is the proverbial round peg into a square hole. In this instance though, not only are the shapes wrong, but the “hole” is much too small to accommodate the ever growing housing need.

Our fear is that this is an intentional effort to further constraint and frustrate new housing in the unincorporate area. Based on the numbers in the APR, the County can effectively create a moratorium on housing while it continues efforts like the CAP Fire Safe and VMT



Efficient Alternative, the VMT Phase 2 Mitigation Program as part of the Sustainable Land Use Framework, updating the Zoning Code and other Implementation Actions from the Housing Element Update, implementing recommendations in the DFA areas that don't address the core problems identified in the DFA, re-revising the Transportation Study Guidelines, and considering an Inclusionary Housing Ordinance that punishes infill development in VMT efficient areas.

Instead, the County chooses to make it look like it is doing its fair share to fight the Housing Crisis. Like taking credit for increasing the number of certificates of occupancy, without pointing out that this statistic is the result of PRIOR Board action to approve projects like Horse Creek Ridge, Park Circle, Meadowood and Campus Park West. Nor does the County point out that the % of building permits that convert to Occupancy permits has increased from about 52% to 94% since 2020 (likely because more of the units are lower-cost ADUs).

The home-buying public should expect and demand more from a "Pro-Housing" designated jurisdiction. Please, take the first step by asking staff to review the information contained herein and report back in 90 days on how the County can immediately move to create a variety of housing that has a chance of actually being built. Let's make the impossible, possible. Let's fix the broken system and build more housing.

Respectfully Submitted,

Sean Kilkenny, Partner
Nolen Communities LLC



November 17, 2025

Honorable Chairwoman Lawson-Remer
San Diego County Board of Supervisors
1600 Pacific Highway
San Diego, CA 92101

RE: BIA Comments on the Development Feasibility Analysis

Chair Lawson-Remer and Supervisors:

The Building Industry Association of San Diego (BIA) represents over 20,000 workers in the construction industry. Our members and their employees, contractors, subs and others, build the housing that San Diegan's so desperately need. On their behalf, we are pleased to submit the following comments on as part of the November 19, 2025 "Housing Workshop".

The BIA is a long-standing stakeholder in the County of San Diego (County), advocating for pro-housing solutions and policies. While we do not always see "eye to eye" with the County on land use and housing related matters, the recently completed Development Feasibility Analysis (DFA) confirms many of the findings our industry experts have known since the General Plan Update (GPU) was completed in 2011 and highlights barriers that have led to a significant decline in the number and types of housing projects approved or currently in process with Planning and Development Services (PDS).

While there are areas of disagreement, the BIA agrees with several of the key takeaways from the DFA, including the identification of County-wide barriers to development and many of the recommendations. Our comments are organized as follows:

- 1. Areas of Agreement with the DFA**
- 2. Areas for Refinement with the DFA**
- 3. Areas for Further Analysis and Discussion**

In addition to these comments, the BIA has is submitting a proposed Comprehensive Housing Implementation Plan and Strategy (see **Attachment A**) with recommendations for supporting Village-based housing development designed to address the current housing





shortage while providing for the future redevelopment and investment across the region to serve all County communities and residents regardless of their geographic location, VMT attributes and/or fire hazard rating.

A. General Comments

Preliminarily, the BIA wishes to thank County staff for their tireless work efforts on the DFA. Staff held multiple update calls with the BIA and other members of the development industry including the County's Land Development Technical Working Group, to share updates on the status of the DFA, preliminary findings and recommendations, and solicit feedback. While not all our members' feedback made it into the final DFA, we understand the County's effort to balance the industry's expertise with other stakeholders.

The DFA was limited to four geographic areas within the County. The BIA believes that a healthy housing market is one which:

- represents a **diversity** of buyer/renter profiles and housing types;
- provides **equitable** access to the home-buying/renting public, and;
- is **inclusive** of all communities and residents across the region.

Accordingly, we believe the following should be applied County-wide, and not strictly to the DFA communities. Some of the findings of the DFA may be community-specific, but our experience is that the barriers and recommendations apply universally, whether it's Spring Valley or Valley Center.

Rather than focusing on specific DFA areas or Community Plan Area (CPA), the BIA strongly encourages the County to focus on facilitating housing and development in the Village Regional Category. Not only are these areas generally already developed (i.e., less habitat value, lower fire hazards, etc.), but they tend to have existing infrastructure and are zoned for moderate levels of development which encourages the smaller, more attainably priced housing that is missing across the County.

B. Areas of Agreement with the DFA

The BIA agrees with the methodology used to analyze the feasibility of developing and building housing in the DFA areas. This market-based approach, which looked at several of the same factors our members consider when determining where to invest in new housing, is the only way to begin to truly understand the underlying challenges our industry faces. It is therefore no wonder the County made the following findings, which comport with our members' experiences.



1. Feasible Housing Typologies – Single Family, Small Lot Detached, Courtyard and Townhomes:

...the Financial Feasibility Analysis generally indicated that small-lot single-family homes and townhomes are the most financially feasible housing types...and stacked-flat apartments are not financially feasible in most DFA areas within the next 10 years. (Page 2)

Simply stated, single-family detached, small-lot single family homes, courtyard homes and townhomes (up to about 18 units/acre) are the “sweet spot” for housing typologies in the County. This is for a variety of reasons, some of which are discussed below. Generally speaking, the BIA does not believe housing developments above 20 units/acre should be considered feasible in the County. This implies that future updates to the County’s Housing Element must be based on parcels designated at densities below VR-20 to meet state requirements. **Solutions and approaches should emphasize more medium-density land uses such as VR-7.3, VR-10.9 and VR-15, rather than VR-20 and above.**

2. Key Cost Drivers Must be Addressed

Key factors impacting housing development include construction cost, infrastructure requirements and cost, permitting process time and cost... (Page 3)

...stormwater compliance can add significant costs to housing development. (Page 149)

The DFA acknowledges that it is more expensive to build homes in these Infill areas, which reduces the feasibility of housing projects. Infill development can be more expensive than “greenfield” development because it is constrained by surrounding uses, expectations or requirements to address existing infrastructure and service deficiencies, and due to “built-in” opposition from surrounding residents – even for projects that build at levels consistent with or below what the General Plan anticipated and/or state law allows. Another reason for this is because of the historic development patterns in the unincorporated area which resulted in inadequate infrastructure. **Solutions and approaches should consider ways to minimize infrastructure requirements and regulatory compliance costs.**



3. Vacant vs. Underutilized Parcels Effect Development Feasibility

...underutilized parcels (parcel containing some level of existing development) are more expensive to develop than vacant parcels, further reducing the likelihood of redevelopment based on current market conditions. (Page 3)

As stated in the DFA, previously developed parcels are more expensive to develop than vacant parcels because they often have additional costs like demolition and remediation costs. They can also have a higher land price as sellers recover value on their prior investment. In addition, most of the DFA areas have been “parcelized”, so the properties are smaller and harder to develop based on site constraints. These are exacerbated by outdated zoning requirements and development standards/regulations. **Solutions and approaches should recognize the difficulties of underutilized sites and emphasis vacant properties.**

4. Densities Being Achieved do NOT Match the General Plan

...the land use analysis found that *across the DFA areas, new housing development is typically occurring at densities below what is allowable by the General Plan.*
(Page 3)

This finding is consistent with the industry’s comments since the adoption of the General Plan Update (GPU) in 2011. While the GPU represented a tectonic shift in the land use construct of the County – moving development from the “backcountry” into more urban Villages and Town Centers (in accordance with the Population Distribution Strategy) - changes to the Zoning Ordinance have represented minor aftershocks. **Solutions and approaches should ensure General Plan densities can be achieved efficiently, particularly in the Village Regional Category.**

5. Key Barriers to Housing Development:

The DFA identified several barriers to housing, both county-wide, systemic barriers as well as barriers specific to individual DFA communities. The BIA agrees with several of the barriers identified by the County as explained below. While there are many other challenges that have resulted in the slowdown in proposed projects in the County, the following include some of the more notable issues faced by proponents for new housing projects.



a. The discretionary process is broken.

Barrier 1. Regulations are complicated, and *the discretionary process can be costly and time-consuming for developers...* (Page 149)

Discretionary projects in the County, even those which are consistent with the General Plan, can often take multiple years to secure entitlements. Because most development projects in the County are “for-sale” projects (i.e., Tentative Subdivision Maps with the intent of creating and building single-family homes), returns are measured based on Internal Rate of Return (IRR). The extended processing schedule and associated costs of years of review makes projects infeasible and not worth pursuing. If the County wants to increase equitable access to home ownership opportunities and a greater diversity of housing types, it must simplify the discretionary process Countywide, with an emphasis in Village areas that provide for efficient, orderly development.

b. Uncertainty over VMT

VMT mitigation and standards are confusing and unclear... (Page 149)

In May 2024, the Board of Supervisors directed staff to adopt a “case by case” approach for General Plan-compliant projects when determining whether to consider Vehicle Miles Traveled (VMT) as part of any environmental analysis for a Privately Initiated Development Project. This direction was based on the February 2024 Court of Appeals ruling in *Hilltop Group vs. County of San Diego* which found that projects prepared under a CEQA Section 15183 [“Projects Consistent with a Community Plan, General Plan, or Zoning”] analysis were not legally required to consider additional environmental effects beyond those studied in a previous EIR unless there were “peculiar” impacts and/or greater cumulative or off-site impacts. Thereafter, the Court of Appeals ruled against the County’s Transportation Study Guidelines (TSG) regarding the “Small Project” and “Infill” exemptions. The lack of any subsequent action by the County has left development proponents unsure of the expectation(s) for processing projects moving forward. Projects consistent with the General Plan, especially those in Village Regional Categories, should be processed under 15183 as the rule, not the exception.



c. Zoning

Barrier 2. *Current development regulations (e.g., zoning standards such as setbacks, minimum lot sizes, height and building types) can prevent General Plan densities from being achieved... (Page 149)*

Consistent with Finding #4 – Densities Being Achieved do NOT Match the General Plan, the DFA identified outdated zoning as a major barrier countywide. As noted above, the shift to Village-based development in the GPU was never accompanied by a comprehensive update to the Zoning Ordinance, therefore, achieving the densities envisioned in Village areas relying on outdated minimum lot sizes, setbacks, building height schedules, and building types is infeasible. The County recognized this in the 6th Cycle Housing Element Update when it adopted not one, but TWO, actions (3.1.1.C and 3.1.3.A) calling for an update to the Zoning Ordinance by 2023 to facilitate achieving General Plan and Housing Element densities. The County recently started this effort, which is not scheduled to be completed until 2027.

This inconsistency between the General Plan and Zoning Ordinance is illegal under California Government Code Section 65860 et seq. According to Section 65860(a) “zoning ordinances shall be consistent with the general plan”. Subsection a(2) requires that “the various land uses authorized by the [zoning] ordinance are compatible with the objectives, policies, general land uses, and programs specified in the [General] [P]lan”. Please refer to **Attachment B, Inconsistencies Between the County 2011 General Plan and County Zoning Ordinance Impermissible Under State Law.**

d. Markets do not support more expensive housing typologies

Barrier 3. *Market conditions do not currently support development or re-development, as supportable sales prices in DFA areas are substantially lower than current regional market values... (Page 149)*

The real estate markets in the DFA areas do not support the rents required to be economically viable for more expensive construction typologies (apartments). While the County has designated portions of the DFA areas for apartment-densities, increased construction and financing costs, combined with lower comparable rents in these markets, do not support new construction. Therefore,



higher density projects are not moving forward, with the exception of 100% affordable housing projects which have drastically different underwriting characteristics, largely based on tax credits and other forgivable debt.

e. Developable Land is Limited

Barrier 5. *Developable land is limited.* (Page 149)

The DFA areas were selected due to their geographic proximity near incorporated cities and served by existing infrastructure and “amenities essential to daily life like restaurants, grocery stores and job centers.” In reality, these areas are previously developed and highly parcelized. As a result, parcels are much smaller. These attributes make assemblages difficult because it requires coordination, and agreement, with multiple property owners. This gives existing owners significant leverage for higher land prices.

However, the BIA notes that this barrier is not unique to the DFA areas, many of the unincorporated communities, particularly in Village areas, are highly-fractured and compromised of many, small parcels that are not efficient to develop. Vacant parcels which are not already developed in Village areas are typically otherwise constrained, either by environmental considerations such as wetlands/vernal pools (i.e., Ramona), topography/steep slopes, hazards, floodplains, habitat, historic or cultural resources, or other constraints. This lack of developable land drives up costs.

f. Lack of existing amenities.

Barrier 7. *Amenities such as parks, sidewalks, bike lanes, and job centers are lacking, creating barriers to housing development and hindering economic development and placemaking.* (Page 149)

Because of the historic development patterns in unincorporated communities, with Village- and Town Center areas being initially developed decades ago, combined with more rural surrounding development and lower overall populations compared to incorporated cities, many lack the modern amenities typically enjoyed in more mixed-use areas. Therefore, new development may be expected to contribute amenities and improvements “above and beyond” a typical urban development to fill missing gaps or build new amenity spaces. This



increases costs and reduces feasibility. Increasing housing and providing the “rooftops” that support commercial/retail and public amenity spaces and increases the tax base have inherent value.

6. DFA Recommendations

a. Amend County Regulations to Increase Certainty and Flexibility to Maximize Housing Development

The BIA agrees this is a top priority and must be completed, with a focus on development regulations in the Village Regional Category. The County is two to three years behind the requirements in the Housing Element to update the Zoning Ordinance (Actions 3.1.1.C and 3.1.3.A). We believe updates to the Zoning Ordinance can be completed without an Environmental Impact Report because such an update would not trigger greater development intensity and density than anticipated in the General Plan PEIR, rather, it would refine the existing zoning to ensure that General Plan densities can be achieved. A 15164 Addendum could be prepared, similar to the County’s Housing Element Update.

Relative to VMT, the BIA recommends the County process general-plan compliant projects in accordance with Section 15183 of the Government Code, to the extent such projects can demonstrate their density and intensity of development are consistent with the General Plan update PEIR. For General Plan Amendments, Rezones, and projects with potentially “peculiar” impacts, or which may contribute to cumulative or off-site impacts, further CEQA analysis including VMT analysis, may be appropriate.

b. Fast Track Housing Permitting and Boost Resources to Incentivize Housing.

The BIA supports efforts to expedite permit processing for both discretionary and ministerial projects. The County previously adopted the *Removing Barriers to Housing*, which guaranteed 30-day review timelines for certain projects including 100% affordable housing projects, projects in VMT efficient and Infill areas, and moderate income/missing middle housing projects which were defined as projects with more than one unit on a parcel (i.e., multi-family housing). While this was a promising start, the BIA recommends this 30-day review guarantee be extended to all projects in Village areas. The same CEQA



conformance findings could be relied upon to expand this program, and no additional environmental analysis would be required.

In addition to expanding the Removing Barriers to Housing to all Village areas (for both residential and non-residential projects), the BIA requests to continue ongoing coordination efforts related to self-certification and shifting more discretionary permits to ministerial.

For additional recommendations from the BIA, please refer to **Attachment A, County Housing Implementation Plan and Strategy**.

C. Areas for Refinement within the DFA

Given the amount of feedback and variety of stakeholders within the building industry, it's not surprising that disparate opinions were shared with County staff. After reviewing the results of the DFA, the BIA offers the following suggested refinements.

1. Underwriting Assumptions (Financial Feasibility Analysis)

Several of the assumptions in the Financial Feasibility Analysis are either incorrect or do not account for pending added project costs. This results in a much higher residual land value than should be expected in most if not all cases and therefore overstates the feasibility of development. For instance, the Financial Feasibility Analysis incorrectly assumes the following:

- A project can achieve 100% of the General Plan density, even though the DFA consistently makes the point that without zoning reforms, projects are not achieving their General Plan densities.
- A project does not have to set aside any affordable housing, even though the County continues to work on a pending Inclusionary Housing Ordinance, which the County's own Economic Analysis determined was detrimental to the gross margins of projects.
- A project does not have any off-site improvement costs, even though many projects (especially infill projects) have some requirement for off-site improvements.
- A project has no mitigation or other costs associated with VMT, even though the County is in the middle of preparing a programmatic VMT mitigation fee and the latest Court of Appeals ruling found that Infill areas were not exempt from VMT analysis based on the CEQA documentation provided for the Transportation Study Guidelines.



In addition, we disagree with the values/costs held for many, if not all, of the categories in the analysis. Hard construction costs have increased significantly since the beginning of the pandemic. On-site horizontal costs are significantly lower than our members typically experience. Soft costs, including financing costs and impact fees, are understated.

The BIA recommends the County work with our members to further refine these numbers to confirm what densities are truly feasible, and thereafter, use the same assumptions to update the Economic Analysis for the IHO, which is now several years outdated.

2. Higher Housing Density.

The DFA characterizes the building industry as advocating for higher housing density (Page 15). Broadly speaking, consistent with the findings of the DFA, the BIA does not support higher density to the extent that it would exceed 15-20 du/ac. Rather, the BIA and our members support a broader application of middle-density land uses in the VR-7.3 to VR-15 range. These densities, in the Village areas, would support a more modest amount of housing, which is both economically feasible and more acceptable at the community level. It will also reduce strain on aging infrastructure based on the lower overall unit count when compared to VR-20 to VR-30 land uses.

3. Buena Creek Challenges.

BIA members have studied the Buena Creek Housing Element parcels (i.e., the parcels on Victory Drive and Estrelita Drive) at great length, with several due diligence efforts making similar findings about the challenges presented by this location. The DFA undersells the true difficulty of developing these parcels.

Access is not only restricted by the Sprinter light rail system, but by the Buena Creek drainage which is likely a jurisdictional resource that would require extensive permitting by the Army Corps of Engineers, Regional Water Quality Control Board, and Department of Fish and Wildlife. While the County has acquired significant right-of-way here, the practical challenges of improving Sycamore Avenue/Robelini Drive and Buena Creek Road are immense and likely require condemnation of private property, wetlands permitting and 3:1 mitigation with an associated 5-year habitat restoration and management plan, and significant costs to upgrade to four lanes.



Sewer service, while “available” from the Buena Creek Sanitation District, is controlled by the City of Vista and may or may not trigger an expectation of either Annexation or some enhanced fee(s) for Vista to provide extra-territorial service.

4. DFA Recommendations

The BIA encourages exploring all avenues for increasing housing capacity and supply; however, there are practical limits. Some of the recommendations may not be as effective as others, and we discourage the County from focusing on the following:

a. Advance Community Revitalization Through Workforce Development

While the BIA agrees that workforce development, and any efforts at economic development, supports a healthy housing market, this is outside the scope of PDS. Further, the BIA believes it would be infeasible, and indefensible, that such efforts should only be focused on the DFA areas. Rather, we support a more inclusive approach and encourage the County to offer the benefits of workforce development Countywide. Our members have expressed an interest in providing opportunities to train new tradespeople and other professionals.

b. Explore Targeted Planning Efforts and Specific Plans in Buena Creek, Lakeside, and Spring Valley.

Specific planning exercises that are not project-driven but design driven tend to be less successful. If a proponent for a Privately Initiated Development Project requests to prepare a Specific Plan, which would require a Rezone and General Plan Amendment, we encourage the County to support such an effort. In the absence of a developer-driven Specific Plan, we believe the County should look at public facilities financing options in these areas, such as through the establishment of Enhanced Infrastructure Financing Districts (EIFDs).

D. Areas Requiring Additional Discussion and Coordination

1. Vehicle Miles Traveled

Considering the latest Court of Appeals ruling, the “Infill” designation that covers the overwhelming majority of the DFA areas does not qualify these areas for VMT “coverage”. The County has previously directed staff to consider options for General Plan compliant projects to be considered for CEQA Exemptions on a “case by case” basis; however, this approach does to provide the necessary certainty for project proponents to make critical investment decisions and adequately quantify risks.



The County's previous analysis prepared to support adoption of the latest version of the Transportation Study Guidelines (TSG) determined that a maximum of approximately 2,120 housing units were in VMT efficient areas. Based on the analysis and findings of the DFA, the BIA suspects the actual number would be much lower than this total. This is not sufficient capacity for the County to produce the amount of housing that is needed to address the housing shortage, including the County's likely 7th RHNA cycle requirements or SANDAG's Series 15 projections.

The implications of the County's restrictive VMT policy and county-wide housing shortages (including incorporated cities) has had a deleterious effect on VMT. By limiting housing production in San Diego County, families have been forced to move to more attainable housing markets including the Inland Empire (Riverside County) and Tijuana, Baja CA.

The US Census Bureau estimates 47,000 households commute from Riverside to San Diego daily for work. At an estimated average one-way trip length of approximately 51 miles, this represents roughly 1,163,644,560 VMT over across 47,073 commuters that San Diego is "exporting" miles per year. OVER 1 BILLION VMT. This likely equates to tens, if not hundreds, of millions of metric tons of CO₂e annually and approximately the same as the emissions of 57,000 homes.

2. Adequacy of Existing Infrastructure

The BIA reviewed DFA Exhibit B - Infrastructure Analysis Report. As summarized in the DFA, the report concludes that there appears to be sufficient infrastructure to serve the DFA areas based on preliminary engineering review and discussion with applicable service districts/providers. The BIA cautions the County that further review and analysis is required at a project-level as often times, it is not until more complete engineering plans are prepared and as-builts are reviewed that actual conditions and restrictions are revealed. The BIA also notes that while sewer, water and traffic facilities were reviewed, the analysis does not appear to cover stormwater facilities. Stormwater improvements, as required by the MS4 permit, can be costly as noted in the DFA. Further review is required.

3. DFA Recommendations

The following DFA Recommendations require additional detail and coordination to ensure they effectively support housing development.



a. Expand Land Availability for Housing.

The State has taken the lead through statewide legislation to expand the availability of land for housing on non-traditional sites including religious/church properties and non-profit colleges. SB4 was adopted and signed into law in 2023. State law also gives school districts the ability to build multi-family housing on district properties for school employees. The BIA supports efforts to expand the availability of land for housing, but believes in wider application of other ongoing efforts to maximize housing production for a diverse population will benefit more communities

b. Prioritize Infrastructure Investments to Support Housing within DFA Communities

As the DFA points out, there are infrastructure needs across the County. These include public improvements associated with roadways, mobility options (bike lanes and sidewalks), and parks. The BIA agrees with prioritizing public investments to support housing rather than to further policy goals.

c. Pursue Funding to Build More Affordable Housing

The BIA supports adoption of an Inclusionary Housing Ordinance (IHO), but such an ordinance must consider market realities and industry feedback. This includes updating the Economic Analysis to be consistent with the underwriting assumptions in the DFA's Financial Feasibility Analysis.

In accordance with the recommendation from former Board Chair Nora Vargas, the IHO should also be phased in, it should complement state Density Bonus and it should provide flexibility for developers to implement. Importantly, it should not penalize projects in VMT efficient and Infill areas with a higher set aside requirement because this will only dampen the effectiveness of the program and discourage more housing in these priority areas.

d. Advocate for Legislation that Supports Housing

The state has been a leader in advancing policies and legislation that make housing projects more feasible. Several local state legislators demonstrated a willingness to support these and other measures. The BIA supports focused housing policy that does not contain provisions that increase the cost of housing. Too often, promising legislation – much like development proposals – are saddling with addition strings that mute their effectiveness. The BIA is ready to collaborate with the County to advocate for meaningful housing reform.



E. BIA Recommendations

In addition to the above comments on the results of the Development Feasibility Analysis, the BIA has prepared a Comprehensive Housing Implementation Plan and Strategy (CHIPS) based on near-, medium- and long-term actions that would spur more housing across the County. The CHIPS proposal builds off comments made by former Board Chair Vargas at the August 28, 2024 Board meeting on the Inclusionary Housing Ordinance. As part of her comments, Chair Vargas called for the County to “...focus on integrating all the moving pieces, the Housing Blueprint, VMT mitigation, the measures in the Climate Action Plan, into a much more cohesive affordable housing implementation strategy...” The CHIPS proposal is intended to be industry’s recommendation for how to synthesize the many concurrent, related planning efforts into one coherent and effective strategy.

F. Conclusion

The BIA values our partnership with the County and looks forward to continued collaboration to produce a healthy housing market, one that:

- represents a **diversity** buyer/renter profiles and housing types
- provides **equitable** access to the home-buying/renting public, and
- is **inclusive** of all communities across the region.

We believe our feedback on the DFA will support efforts to create an abundance of housing that can build generational wealth and close the income gap. We encourage the County to adopt the CHIPS proposal and are ready to work together.

San Diego County Comprehensive Housing Implementation Plan & Strategy



November 2025

INTENTIONALLY LEFT BLANK

Comprehensive Housing Implementation Plan & Strategy

Table of Contents

I.	Introduction/Overview	5
II.	Action Plan	8
	Near-Term Actions (0-12 Months)	8
	A. Zoning Ordinance Update	9
	B. By-Right/Ministerial Approvals.....	11
	C. Village/Infill “Overlay”	12
	D. VMT Exemptions for Village Regional Categories	13
	E. Expand “Removing Barriers to Housing”	14
	F. Inclusionary Housing Ordinance	15
	G. Eliminate “Public Disclosure”	17
	H. Flat Fee Structure	18
	Medium Term (12-24 months)	19
	I. Comprehensive Impact Fee Review	20
	J. Role of Community Planning Groups	21
	K. Programmatic VMT and GHG Coverage for GPA/Rezoning.....	22
	L. Self Certification.....	23
	M. Discretionary to Ministerial	24
	Long Term (3+ Years).....	25
	N. Amend SR-1 and SR-2 Land Use Categories	26
	O. 7 th Cycle Housing Element Update.....	27
III.	Tracking and Reporting.....	28

Comprehensive Housing Implementation Plan & Strategy

INTENTIONALLY LEFT BLANK

I. Introduction/Overview

In August 2024, in response to staff's presentation on the Inclusionary Housing Ordinance (IHO), and a day following adoption of the Housing Blueprint, San Diego County (County) Board of Supervisors Chairwoman Nora Vargas called for the County to take "a more comprehensive and effective approach" on housing.

We need to see actual units that serve the needs of our population, including opportunities to move out of affordable housing and we need to think beyond deed-restricted. There has to be a continuum. [We must] [f]ocus on integrating all the moving pieces, the Housing Blueprint, VMT mitigation, the measures in the Climate Action Plan, *into a much more cohesive affordable housing implementation strategy...*

Specifically, Chairwoman Vargas called for the County to come back with the IHO as "part of an implementation packet." Chair Vargas saw this implementation packet as having the potential to:

...provide opportunities for home ownership and stable affordable housing for middle income communities. By creating pathways to affordable home ownership, we help communities build generational wealth, ensuring that future generations can benefit from the economic stability and prosperity that comes from owning a home. [It is a] crucial step towards closing the wealth gap and fostering long term financial stability.

The Building Industry Association of San Diego (BIA) agrees with the need for the County to recognize how these multiple concurrent planning efforts relate to our ability to provide housing for San Diegan's, including attainable, middle-income/workforce housing and deed-restricted affordable housing.

Preliminary, the BIA believes we need to approach Housing with an Abundance mindset, rather than a regulatory framework. And the priority needs to be on outcomes that benefit the most, rather than process, policies and regulations that have produced the least. This includes:

1. Implementing changes to facilitate the production of Housing

Comprehensive Housing Implementation Plan & Strategy

Introduction / Overview

2. Equity approach – facilitate more for-sale housing countywide to enable more residents and communities to build wealth
3. Diversity approach – provide a wider array of housing types for residents of various economic conditions countywide
4. Inclusivity approach – extend the production of housing across all communities countywide, not just the DFA areas.
5. Reduce impacts of “exporting” homes to Riverside County and Mexico

San Diego County is in the middle of nearly a dozen work plans, programs, and reports, summarized in the following section, which impact housing production. All of these must occur within the context of the General Plan, the guiding master plan for how the County intends to build out over the next 25 years.

However, despite the County’s efforts, housing production is sorely lacking. The County’s General Plan Annual Progress Report purports to show admiral progress towards the County’s Regional Housing Needs Allocation (RHNA) goals; however, a deeper investigation, as BIA members have explained in previous correspondence, explain why the County’s numbers paint an incomplete picture of housing production. Most pointedly, the County is relying on an excess production of ADU’s spurred by changes in State law and a now-defunct fee deferral program, as well as building permit activity from long-ago master plans and tentative maps, including Park Circle, Horse Creek Ranch, and Citro. Without this combination of pre-Housing Element Update entitlements and ADU’s, the County would be further behind in the production of housing.

The Board has generally recognized this fact through the request for staff to prepare a Development Feasibility Analysis (DFA) to help the County understand why the type of development envisioned by the General Plan was not being produced, especially in “infill” or ‘VMT-efficient” communities and environmental justice communities. Comments on the DFA are provided under separate cover, and attached hereto, but generally the industry concurs with several of the findings. The following County Housing Implementation Plan & Strategy (CHIPS) is the building and development industry’s attempt to highlight and recommend specific policies to facilitate housing development.

Other stakeholders may disagree with or oppose several of the recommendations contained herein. Those stakeholders are not responsible for the actual construction of

Comprehensive Housing Implementation Plan & Strategy

Introduction / Overview

homes, rather, many face conflicting policy goals including efforts to limit or oppose housing in some areas, conserve habitat, or otherwise preserve “community character” at the expense of equitable, diverse housing.

The reality is these stakeholders are responsible for nearly 10,000 homes that have not been built in San Diego County over the last decade, as well as the tens of thousands of homes that have been built in outlying areas, including the inland empire/San Bernardino County and Tijuana. According to the US Census Bureau, over 47,000 people commute to work from Riverside to San Diego County daily. This translates to over 1 BILLION VMT annually. This amount of VMT is commensurate with the GHG emissions of over 57,000 housing units that could instead be located in San Diego County at much closer commuting distances.

This Comprehensive Housing Implementation Plan & Strategy aims to provide common sense policies and recommendations that would facilitate housing as envisioned by the County’s General Plan and Housing Element, while addressing the shortcomings identified by the Development Feasibility Analysis.

II. Action Plan

Near-Term Actions (0-12 Months)

The following actions are proposed and feasible to be implemented within 12 months (i.e., the “Near Term”). These Near-Term Actions have been designed to rely on previous California Environmental Quality Act (CEQA) certification, relying largely on the adopted General Plan Update (GPU) Program EIR (PEIR), and building from existing County direction on efforts to increase housing production, with an emphasis on Village areas (i.e., areas planned for higher density/more attainable housing, and areas that tend to have lower per-capita VMT attributes than Semi-Rural and Rural areas).

None of the following actions would provide for greater density or intensity of development beyond what is envisioned and planned for by the General Plan and analyzed by the GPU PEIR; therefore, the impacts identified in the GPU PEIR would “cover” the environment effects of these Actions. In fact, the proposed Near Term Actions have the potential to reduce the development potential of the General Plan, but at more feasible and market-aligned densities that have a greater likelihood of development.

The goal of the Near Term Actions would be to facilitate Privately Initiated Development Project approvals and building of the housing anticipated in the General Plan, with priority/emphasis on “missing middle” and “for-sale” opportunities (7.3-15 du/acre). This type of housing and density is only available in Village areas and Town Centers, which is consistent with the County’s Population Distribution Strategy, while at the same time providing more generally accepted housing typologies (single family and for-sale/home ownership opportunities).

A. Zoning Ordinance Update

Action - Update the San Diego County Zoning Ordinance to achieve General Plan densities per Housing Element Update (“HEU”), in accordance with **Actions 3.1.1.C** and **3.1.3.A**.

The HEU identified several updates to the County’s Zoning Ordinance as required actions in the Implementation Plan. Action 3.1.3.A required the County, within 2 years (i.e., by 2023) to update the Zoning Ordinance to achieve the densities envisioned by the General Plan and relied upon by the Housing Element.

In particular, the County should focus on:

- a. Minimum Lot Size/Lot Area
- b. Building Types
- c. Height Schedule
- d. Setback Regulations

“Fit in Process” – The DFA found that one “Countywide Barrier” to the production of more housing was that “Current development regulations (e.g., zoning standards such as setbacks, minimum lot sizes, height and building types) can prevent General Plan densities from being achieved.”

A long-outstanding Zoning Ordinance Update should have been completed following adoption of the General Plan Update and its associated establishment of Villages and Town Centers, consistent with the Population Distribution Strategy. Further, the Zoning Ordinance Update was required to have been completed within 2 years of adoption of the 6th Cycle Housing Element Update, in 2021. By updating the Zoning Ordinance to allow for the density and types of housing product anticipated and planning for in the GPU, the County will facilitate the production of middle-income housing typologies rather than de-facto requiring project proponents to process waivers and variances to achieve these densities. This Action would also support Housing Element Update Action 3.1.1.D requiring the County to maintain a diversity of land use designations and building types to “accommodate various building types and styles,”

Rationale – The General Plan increased densities in Village and Town Center areas. These increased densities followed more modern planning principles, including

Comprehensive Housing Implementation Plan & Strategy

Action Plan – Near Term

higher-density, mixed use village areas. However, as explained in the DFA, “Current development regulations ... can prevent General Plan densities from being achieved”. This is consistent with the Housing Element Update, which provided two Actions (3.1.1.C and 3.1.3.A) to update the Zoning Ordinance. Higher density homes tend to be smaller, and therefore, more likely to be naturally occurring attainable housing, especially housing in the 12-18 unit/acre range.

CEQA Conformance – Section 15164 Addendum or 15183 Exemption. This action does not increase the intensity or density of development and should not require additional CEQA review (beyond an Addendum or other). It can either tier from the General Plan Update PEIR through a 15164 Addendum finding of no new impacts, or 15183 exemption for being consistent with the General Plan because this update would not change the overall development intensity or density of the General Plan and not result in peculiar impacts not analyzed in the GPU PEIR.

Priority - HIGH

B. By-Right/Ministerial Approvals

Action – Expand the “By-Right program” to cover any project in a density range (7.3-20 du/acre) that agrees to dedicate 20% of “base” density at moderate or low income (or 15% very-low) by updating the County’s RHNA Inventory and Housing Element to include all Village sites/locations and extending the same protections under AB1397.

“Fit in Process” – Housing Element Action 3.1.1.A calls for the County to maintain land use policies that provide adequate sites to accommodate the County’s RHNA obligation through the Residential Sites Inventory. Based on feedback from staff, fewer than 10 of nearly 240 RHNA sites have been developed since the Housing Element Update.

An update to the RHNA inventory should have happened when the County eliminated the largest housing element site, Otay 250, from residential development due to an infeasible settlement agreement between the developer and the Sierra Club. Nearly 2,200 claimed affordable units, including over 600 “lower income” units were removed from the RHNA Sites Inventory with the Otay Majestic project and were never replaced with new units.

Accordingly, the County should prioritize the development of sites in Village areas, including those at densities that are likely to generate for-sale housing that is considered “missing middle/attainable”. This would include small-lot detached homes (VR-7.3 and 10.9) and Townhomes (VR-15, VR-20).

Rationale – AB1397 and housing element law give RHNA sites certain advantages and processing benefits that are not available to non-RHNA sites. Nothing in state housing law precludes identifying far more sites as RHNA eligible. The County should focus its update to the RHNA map on Village areas to facilitate/encourage implementation of General Plan buildout. It would not increase the density or intensity of development under the General Plan, it would simply remove the hurdle(s) for opponents to challenge “infill” housing by giving far more properties the benefit of being RHNA-designated sites.

CEQA Conformance - This can be accomplished through a CEQA Addendum (no Public Distribution, Industry to prepare) because

Priority – HIGH

C. Village/Infill “Overlay”

Action – Develop and implement a “Land Use Overlay” for any parcel(s) designated VR-20 or greater to be developed at lower base densities (7.3-15 du/acre) before application of any density bonus.

“Fit in Process” – Consistent with the findings of the Development Feasibility Analysis, the Industry agrees and supports expanding land uses at medium density (VR-7.3 to VR15) which are feasible under current and reasonably foreseeable market conditions. This action could complement Short-Term Action A by providing MORE land that would be available for the types of housing that the rezone would affect (medium density) but could also be used for higher-density under Density Bonus.

Rationale – One problem identified by the DFA is that many sites are planned at densities that the market can’t support, including the second largest RHNA site around the Buena Creek Sprinter Station. This is only exacerbated with implementation of an Inclusionary Housing Ordinance, which further reduces the feasibility of projects at these densities (and which was not factored into the Financial Feasibility Analysis for the DFA). Instead, the County should consider a Land Use Overlay for properties designated at or above VR-20 to allow for lower density. This would increase the feasibility of these sites and encourage the use of Density Bonus (by reducing the base unit count and the associated set aside amount).

CEQA Conformance – The Action could reduce development intensity and density if it was focused on sites above VR-20. Therefore, it would be eligible for a CEQA Addendum or Exemption under either 15164 (Addendum) or 15183 (Exemption).

Priority – HIGH

D. VMT Exemptions for Village Regional Categories

Action – In accordance with California Government Code Title 14, Section 15183 et. seq., adopt an official policy of the Board of Supervisors to exempt any General Plan and Zoning compliant project in the Village Regional Category from VMT analysis.

“Fit in Process” – VMT has been responsible for the dramatic reduction in the number and types of Privately Initiated Development Projects in the County in the last three years. Since the Transportation Study Guidelines were updated to requiring reducing VMT 15% below the regional average. The County has already concluded, correctly, that project’s which are consistent with the General Plan may be exempt from VMT on a “case by case” basis, in accordance with the *Hilltop Group vs. County of San Diego* court ruling.

Rationale – The DFA clarifies that lack of clarity on VMT is a barrier to housing as development proponents are unsure of how the County and Board will treat projects. Because the County is generally not “VMT efficient”, the overwhelming majority of projects would fall outside of VMT efficient areas. In fact, only roughly 4% of the County’s available housing stock in the general plan (roughly 2,000 of 50,000 units) fall within VMT efficient areas. Without prioritizing development in Village areas, the vision of the General Plan will never be achieved.

CEQA Conformance – As permitted by State Government Code, no CEQA would be required to implement state law.

Priority – HIGH

E. Expand “Removing Barriers to Housing”

Action - Apply the processing/schedule requirements in the “Removing Barrier to Housing” to ALL Village projects and track actual performance. Goal is for 80% of project reviews on projects larger than 20 units to be completed within 30-days, 90% would have a maximum of 3 plan check/screen checks, and no “late hits” would be allowed.

“Fit in Process” – The County adopted the Removing Barrier to Housing item in 2023. This item was consistent with Housing Element Update Acton 3.2.2.A which required the County to “Implement expedited permit processing for affordable housing projects, including projects that qualify for density bonuses (in compliance with Board Policy A-68 as well as SB 35 – Affordable Housing Streamlined Approval). Continue to explore ways to expedite affordable housing development.”

The application of the “Removing Barriers to Housing” program was too limited to materially improve housing production because it only applies to 100% affordable projects, VMT efficient and Infill areas, and multi-family projects, which the DFA has demonstrated are less feasible than other housing typologies. Once the IHO is adopted, and all projects in Village areas are incentivized to build affordable housing onsite, they should be eligible for permitting under this item.

Rationale - To further incentivize the Village areas, the County’s broadening of the *Removing Barriers to Housing* would support more development, including non-residential uses that are pivotal to supporting communities. It remains unclear what if any impact the Court of Appeals ruling against the TSG will have on “infill” areas. Regardless, as noted in the staff report on the TSG, only approximately 12% of the County’s remaining housing is in VMT efficient and Infill areas, but once the findings of the DFA are applied, it is likely the actual development potential of these areas is much less.

CEQA Conformance - No additional CEQA required, rely on same *Removing Barriers to Housing* finding(s) and CEQA documentation.

Priority - HIGH

F. Inclusionary Housing Ordinance

Action – Adopt an Inclusionary Housing Ordinance (IHO) that works for developers and builders by phasing in the Ordinance over 5 years. The Ordinance should start with projects of over 50 base units and shall require set aside amounts of 5% Low or 10% Moderate.

Each year, the minimum project size shall adjust down from 50 (yr 1) to 40 (yr 2) to 30 (yr 3) to 20 (yr 4) to 10 (yr 5) units. Further, each year the set aside requirement would go up 1% per year to 10% Low, or 15% Moderate, with the ability to do very low set at 5% (the minimum required for Density Bonus).

The IHO should include expanded opportunities to meet the affordable housing obligation. In particular, the IHO should allow for a project to achieve at least a portion of the set-aside through the provision of Accessory Dwelling Units (ADUs). We recommend the County review the City of Carlsbad as an example.

We also recommend the County provide for a “local” density bonus, of 5% to 10%, for projects within the VR-2, VR-2.9 and VR-4.3 land use categories.

Another incentive for projects to develop affordable housing units on-site would be for the County to limit the traffic analysis and/or off-site traffic improvements for projects in Village areas that build affordable housing.

Importantly, the IHO should NOT provide for a higher set-aside amount for projects in VMT Efficient or Village areas.

“Fit in Process” – The adoption of an Inclusionary Housing Ordinance was identified as an Action in the Housing Element Update. Specifically, Action 3.1.1.E, which required the County to “develop an Inclusionary Ordinance by 2022... to help facilitate construction of affordable housing for lower- and moderate-income households.” The County has prepared the Ordinance and heard the item, but deferred action until after staff presented the results of the DFA and VMT mitigation.

Rationale - Adopting an Inclusionary Housing Ordinance will support efforts to provide deed-restricted affordable housing. Consistent with the motion in August 2024, the above strategy would allow for the phasing in of the Inclusionary Ordinance, it would comport with the set-aside amounts needed to participate in state Density Bonus, and it was developed by experts in market-driven solutions to housing – the

Comprehensive Housing Implementation Plan & Strategy

Action Plan – Near Term

Building Industry Association. The key is providing flexibility, both in the phasing in of the Ordinance – which other jurisdictions including the City of San Diego – have done, as well as Alternative Compliance, including the use of ADU’s to meet a portion of the affordable requirement and the potential for developing off-site affordable units.

Areas within designated “Villages” and are more likely to support higher-intensity land uses (i.e., smaller than 10,000SF lots). The recommendation for a local Density Bonus for VR-2, VR-2.9 and VR-4.3 designated lands is because these lower intensities would not necessarily allow a project to achieve densities that would provide for more attainable housing. However, the combination of State-permitted and a local density bonus could incentivize small-lot development in Village areas. The Development Feasibility Analysis demonstrates this type of development is feasible, but documented there is limited availability of land. Thus, by increasing a local density bonus, and allowing for ADU’s to be subdivided and sold, the County would be creating conditions for more feasible development.

With the latest Court of Appeals ruling against the Transportation Study Guidelines, the status of the County’s Transportation Study Guidelines and development within the “Infill” areas is uncertain, as is the potential to develop a feasible mitigation plan for VMT. Therefore, the County should avoid any increased set-aside requirements for projects in “Infill” areas.

CEQA Conformance – The CEQA analysis for the IHO has already been prepared. No further analysis is required.

Priority - MODERATE

G. Eliminate “Public Disclosure”

Action - Eliminate the “Public Disclosure” period for Privately Initiated Development projects which do not require public review under the California Environmental Quality Act (CEQA).

“Fit in Process” – The elimination of Public Disclosure for certain projects would be consistent with Housing Element Update Acton 3.2.2.A and Action D (above) and could be another incentive to projects which provide affordable housing on-site (Action E).

Rationale - CEQA does not require public review for certain projects, including Addendums and Exemptions. However, the County’s practice has been to require a 30-day “public disclosure” period, which not only exceeds any requirement under state law, but represents a risk to projects in two ways. First, a disclosure period gives opponents an opportunity to slow a project through providing comments which would otherwise not be permitted under CEQA. Second, the County’s practice is for projects to then respond to these comments before moving a project forward for decision, which extends the permitting timeline and increases costs.

CEQA Conformance - No CEQA Required.

Priority - MODERATE

H. Flat Fee Structure

Action – Restructure Project Planning from a Full Cost Recovery model to Flat Fee for qualifying General-Plan compliant Tentative Maps and Site Plans in Village areas as follows:

- a. Small Project (Fewer than 50 units total)
 - i. Exemption/Addenda - \$60,000
 - ii. MND - \$80,000
- b. Medium Project (51-200 DU)
 - i. Exemption/Addenda– \$120,000
 - ii. MND - \$150,000
- c. Large Project (201+ DU)
 - i. Exemption/Addenda - \$200,000
 - ii. MND - \$250,000
- d. Specific Plan – Deposit (TBD)
- e. GPA/Rezone – Deposit (TBD)
- f. EIR – Deposit (TBD)

“Fit in Process” – Moving to a flat fee structure would give Privately Initiated Development Project applicants more certainty in the total costs of project processing, and reduce overall costs. Combined with a ministerial process under Action B, and greater certainty in the processing schedule under Actions E and F, these would increase the likelihood of a project moving forward, as well as keep costs lower for developers which ultimately may improve housing affordability.

Rationale - As determined by the DFA, the development/redevelopment of areas within the DFA Study Area are not considered feasible; therefore, reducing the costs of processing projects would support development of these priority development areas. Bundling this with other actions, particularly in Village areas, supports housing projects.

CEQA Conformance – Changing a fee structure is not a “project” and would not be subject to CEQA conformance.

Priority – **LOW** (based on current County budget constraints and realities)

Medium Term (12-24 months)

In addition to the Short Term Actions identified above, the following Medium Term Actions are recommended to facilitate residential development. These actions are recommended to be completed within two years because they either require some level of CEQA review or stakeholder outreach.

I. Comprehensive Impact Fee Review

Action – Conduct a comprehensive Impact Fee Review for all County and county-located districts to determine if there are any reductions to impact fees that could lead to direct reductions in project costs, or other changes to fee structures to incentivize development in Village areas while providing adequate infrastructure.

“Fit in Process” – Following adoption of an Overlay Zone in Village areas, the County should initiate the Impact Fee Review, with a focus on following the Traffic Impact Fee model of Village vs Non-Village areas. Similarly, the County would work with special districts to conduct a similar fee review. For water services, this effort could be combined with any Urban Water Management Plan (UWMP) updates, which are statutorily required to occur every 5 years.

Rationale – One direct cost which the County has control over are the impact fees that Privately Initiated Development Projects pay for various infrastructure and services, including but not limited to, Parks, Traffic, Drainage, and Fire. Beyond these, special districts including water, sanitation and school, charge projects fees including water connection and capacity fees, sewer capacity and connection fees, and school fees. Combined, these fees can represent as much as 10% or more of the cost of a new home. As fees continue to climb, the planning and land use construct in the County has changes, with more development planned as “infill”, which would reduce costs by prioritizing development in areas of existing infrastructure.

CEQA Conformance – No CEQA is required to conduct the fee review.

Priority – HIGH

J. Role of Community Planning Groups

Action – Review Board Policy I-1 under the requirements of state Density Bonus to consider Community Planning and Sponsor Groups a “consistency review” determination and not a vote regarding the merits of a project.

“Fit in Process” – Following updates to the County Zoning Ordinance (Action A), the County, in combination with Community Planning and Sponsor Groups, would review and update Community Plans.

Rationale - Consistent with the Housing Element Update, the County has adopted Objective Design Standards in several communities, or otherwise there are Community Plans which are developed with input from Community Planning and Sponsor Groups. However, often Privately Initiated Development Projects are judged based on characteristics that are subjective, including conformance with “community character”. This results in opposition to projects from local planning and sponsor groups, which represents a risk to development proposals, increases costs, and extends schedules. Reviewing Board Policy I-1 under the requirements of state Density Bonus to focus on consistency with objective standards and would allow project proponents a clearer understanding and more certainty in the process.

CEQA Conformance – No CEQA required to amend Policy I-1. For any conforming revisions to Community Plans, use the CEQA conformance document from Action A.

Priority - MODERATE

K. Programmatic VMT and GHG Coverage for GPA/Rezoning

Action - Develop a programmatic approach to mitigate for non-General Plan compliant projects to reduce Vehicle Miles Traveled (VMT) and Greenhouse Gas (GHG) emissions by allowing General Plan-compliant projects that exceed GHG and VMT-minimum reductions to sell excess “credits” through the creation of local mitigation banks.

“Fit in Process” – The DFA identified uncertainty around Vehicle Miles Traveled as a barrier to housing in the DFA areas, which is only exacerbated by the Court of Appeals ruling that determined that “Infill” areas were not qualified to be VMT exempt based on the substantial evidence previously provided by the County.

Rationale - By providing a mechanism for local reductions in GHG and VMT emissions by allowing General Plan compliant projects that achieve additional GHG reductions beyond those required by the General Plan and Climate Action Plan (CAP), the County can create an incentive program for projects to then “sell” those credits to qualifying General Plan Amendment (GPA) and Rezone projects.

CEQA Conformance – The establishment of a local VMT and GHG mitigation bank may qualify as a “project” under CEQA and could require the preparation of environmental analysis.

Priority - MODERATE

L. Self Certification

Action – Coordinate with the Building Industry Association to identify and prioritize additional permits and approvals that could be “self-certified”.

“Fit in Process” – The County previously provided an update to the Board on the status of the County’s Self Certification program. Self certification expedites certain plans and permits, reducing schedules and costs, which is consistent with the recommendations and findings under the DFA and would support Actions B and D, above.

Rationale – Allowing projects to “self-certify” reduces processing timelines and costs because it avoids additional County review of selected permits and approvals. While many of these approvals and permits may not affect residential development, at least at the entitlement level, they can expedite subsequent permitting which supports efforts to bring housing to the market faster.

CEQA Conformance – It is expected that most self-certification efforts would be minor and not require any additional CEQA review; however, certain efforts such as those related to certain grading permits, could be folded into existing County efforts related to the Resource Protection Ordinance.

Priority - LOW

M. Discretionary to Ministerial

Action – Coordinate with the Building Industry Association to identify permits that would be eligible to be processed ministerially.

“Fit in Process” - The County is exploring permits that could be reclassified as ministerial. Allowing for ministerial approvals, instead of discretionary approvals, expedites certain plans and permits, reducing schedules and costs, which is consistent with the recommendations and findings under the DFA and would support Actions B and D, above.

Rationale - Allowing projects to be reviewed ministerially reduces processing timelines and costs because it avoids additional County review of selected permits and approvals. While many of these approvals and permits may not affect residential development, at least at the entitlement level, they can expedite subsequent permitting which supports efforts to bring housing to the market faster.

CEQA Conformance – It is expected that most ministerial efforts would be minor and not require any additional CEQA review; however, certain efforts such as those related to certain grading permits, could be folded into existing County efforts related to the Resource Protection Ordinance.

Priority – LOW

Long Term (3+ Years)

Goal: Facilitate the conditions precedent to produce more housing in the unincorporated County consistent with the adopted General Plan and Housing Element, with an emphasis on for-sale housing at more attainable/middle income levels will also supporting the application of Density Bonus to generate deed-restricted affordable units.

Set up the next Housing Element Cycle to create an abundance of new housing opportunities that are “covered” and eligible to go straight to builder permit/improvement plans. These would be in Village areas, at reasonable densities, with clear requirements to qualify (similar to the Complete Communities – Housing Solutions).

N. Amend SR-1 and SR-2 Land Use Categories

Action - Initiate a focused General Plan Amendment to designate SR-1 and SR-2 land uses to either more Village supporting (VR-2/2.9/4.3) or to SR-4 and lower.

“Fit in Process” – In anticipation of the next Housing Element Cycle, and to comply with state law requiring that Housing Elements include at least 50% of their inventory as vacant and underutilized, the County should identify areas near Villages that can support more market-appropriate densities to supplement development in Villages. This would follow the Zoning Ordinance Update (Action A) and would require CEQA which would take two+ years to prepare.

Rationale – The three largest sites/properties from the County’s 5th and 6th Cycle Housing Elements, including the Otay 250 project site, the area around the Buena Creek Sprinter Station, and County Island within the City of San Diego are not longer eligible Housing Element Sites. These comprised over 50% of the previous RHNA. As demonstrated by the current RHNA cycle, where less than 10 of over 240 RHNA sites have so far been developed, the County must re-strategize how to select RHNA sites, focusing on working with the development and building industry and private property owners to select sites that have a demonstrable potential to redevelop during the planning horizon.

CEQA Conformance – At a minimum, an amendment to the General Plan would require a focused analysis of total development potential before and after the proposed amendment. Depending on the extent of the amendment, a full EIR may be required if new or significantly greater impacts would occur as a result of the GPA. This could be part of the next Housing Element Update (2029)

Priority - LOW

O. 7th Cycle Housing Element Update

Action – Complete a Comprehensive 7th Cycle Housing Element, which includes full CEQA, and any necessary land use and zoning changes, to facilitate “by-right” development of all Housing Element sites.

“Fit in Process” – The next Housing Element Update cycle, which is scheduled in 2029, can pull together all the actions contained herein to facilitate housing development.

Rationale – The County has seen a dearth of Housing Element projects during the current planning cycle, relying instead on previously approved master plan/planned development project such as Park Circle, Horse Creek Ranch and Citro (previously Meadowood), as well as Accessory Dwelling Units(ADUs) to demonstrate progress towards the County’s RHNA numbers. Very few if any of these units actually have any deed-restrictions, therefore, the actual amount of affordable housing being producing is minimal. By better selecting and planning for feasible development sites as part of the next Housing Element Update, the County may encourage more attainable housing production.

CEQA Conformance – CEQA review will be required for the Housing Element Update.

Priority - HIGH

III. Tracking and Reporting

San Diego County Housing Implementation Strategy

Tracking and Reporting

Action	Schedule	Priority	Work Plan
A. Zoning Ordinance Update		High	
B. By Right/Ministerial Approvals		High	
C. Village “Overlay” Zone		High	
D. Expand “Removing Barriers to Housing”		High	
E. Inclusionary Housing Ordinance		Moderate	
F. Eliminate “Public Disclosure”		Moderate	
G. Flat Fee Structure		Low	
H. Impact Fee Review		High	
I. Community Planning Groups		Moderate	
J. Local VMT/GHG Offset Program		Moderate	
K. Self Certification		Low	
L. Discretionary to Ministerial		Low	
M SR-1 and SR-2 Land Use Amendments			
N. 7 th Cycle Housing Element Update			



November 17, 2025

Honorable Chairwoman Lawson-Remer
San Diego County Board of Supervisors
1600 Pacific Highway
San Diego, CA 92101

RE: Inconsistencies Between the County 2011 General Plan and County Zoning Ordinance Impermissible Under State Law

Dear Chair Lawson-Remer

The Building Industry Association of San Diego (BIA) has been monitoring the concurrent planning efforts directed by the Board of Supervisors. These include the pending Inclusionary Housing Ordinance, the Sustainable Land Use Framework and VMT Mitigation Plan, the Climate Action Plan and the CAP Smart Growth Alternative, the Options to Streamlining Housing, implementation of the 6th Cycle Housing Element Update including the General Plan Annual Progress Reports, and the Development Feasibility Analysis (DFA).

As part of the DFA, County staff identified “Countywide Barriers” which are “systemic barriers that impact the entire unincorporated County.” One of these “systemic barriers” is:

Barrier 2. **Current development regulations** (e.g., **zoning standards** such as setbacks, minimum lot sizes, height and building types) **can prevent General Plan densities from being achieved. (emphasis added)**

This finding is consistent with previous County findings that identified the need to update the Zoning Ordinance to achieve General Plan densities. Specifically, the County’s 6th Cycle Housing Element Update (HEU) included several “Implementation Actions” intended to align the General Plan and Zoning Ordinance, including:

3.1.1.C **Zoning Ordinance Amendments to Achieve Maximum Density. Amend the Zoning Ordinance by early 2023 to facilitate development** on sites identified in the Sites Inventory for the 6th Cycle RHNA. Specifically, establish minimum densities for multi-family districts at 70 percent of the maximum allowable densities, with the goal of achieving an average development density at 80 percent of the maximum allowable density.

3.1.3.A Zoning Ordinance Cleanups. Review the development designators in the Zoning Ordinance, and **amend Code by the end of 2022** as necessary and appropriate **to ensure** that a range of housing types and densities can be achieved, and **that the designators facilitate development at the maximum density allowed by the General Plan**.

The County committed to achieving each of these within “0-2 years” as shown in Table 6-4-1 of the HEU; however, the County only recently initiated the “Development Designator” project which has a 2-3 year schedule for completion (roughly commensurate with the end of the current housing element cycle). BIA members have frequently cited the inconsistencies between the General Plan and the Zoning Ordinance as an impediment to housing production. Aside from the 2011 General Plan Update process and the more recent 2021 Housing Element Update, BIA members have submitted several comment letters since adoption of the HEU noting the lack of action to amend the Zoning Ordinance.

In fact, BIA members have gone as far as to submit focused recommendations to better align the Zoning Ordinance with the General Plan, and suggested CEQA strategies to expedite implementation of those Zoning Ordinance revisions (See EPIC Housing Plan Recommendations, September 2024). To the best of our knowledge, the County has never responded to any of these requests.

Accordingly, due to the habitual inaction of behalf of the County, the BIA is compelled to call your attention to Section 65860 et seq of the California Government Code. According to Section 65860(a) “zoning ordinances shall be consistent with the general plan”. Subsection a(2) requires that “the various land uses authorized by the ordinance are compatible with the objectives, policies, general land uses, and programs specified in the [General] [P]lan”.

As identified by the DFA, the Zoning Ordinance does not permit attainment of the general plan land uses. For instance, the Zoning Ordinance is not compatible with the General Plan because the minimum lot size requirements in the Zoning Ordinance preclude full implementation of the “general land uses” specified in the General Plan. Specifically, the VR-2 Land Use, which permits 2 dwelling units per acre, typically requires a 0.5-ac lot size. Such a minimum lot size does not provide for any area for public or private roads and right of way, effectively forcing developments to request a variance or waiver to reduce the minimum lot size. This requires additional review and discretion, which is impermissible under the Government Code.

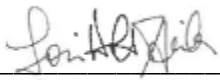
This is one example of why the Housing Element Update committed to, and REQUIRED, the County to “amend [the Zoning Ordinance] **by the end of 2022** as necessary and

appropriate to ensure that a range of housing types and densities can be achieved, and that **the designators facilitate development at the maximum density allowed by the General Plan**". (*emphasis added*)

The General Plan was adopted in 2011, over 14 years ago. The Housing Element Update was adopted in 2021, over four years ago. The County is responsible to bring the Zoning Ordinance into compliance with the General Plan "within a reasonable time". That reasonable time has long expired.

The BIA stands ready to support the County's expeditious update to the Zoning Ordinance. Failure to remedy this inconsistency could be viewed as a violation of state housing law.

Respectfully,



Lori Hold Pfeiler, CEO
Building Industry Association of San Diego

CC: Supervisor Paloma Aguirre, District 1
Supervisor Joel Anderson, District 2
Supervisor Monica Montgomery-Steppe, District 4
Supervisor Jim Desmond, District 5
Ms. Dahvia Lynch, Deputy Chief Administrative Office
Mr. Vince Nicholetti, Planning and Development Service, Director
Mr. Rami Talleh, Planning and Development Services, Deputy Director
Ms. Inga Lintvedt, County Counsel

(a) **County or city zoning ordinances shall be consistent with the general plan of the county or city by January 1, 1974.** A zoning ordinance shall be consistent with a city or county general plan only if both of the following conditions are met:

(1) The city or county has officially adopted a plan.

(2) The various land uses authorized by the ordinance are compatible with the objectives, policies, general land uses, and programs specified in the plan.

(b) A resident or property owner within a city or a county, as the case may be, may bring an action or proceeding in the superior court to enforce compliance with this section. An action or proceeding shall be governed by Chapter 2 (commencing with Section 1084) of Title 1 of Part 3 of the Code of Civil Procedure. An action or proceeding shall not be maintained pursuant to this section by a person unless the action or proceeding is commenced and service is made on the legislative body within 90 days of any of the following:

(1) The enactment of any new zoning ordinance.

(2) The amendment of any existing zoning ordinance.

(3) The failure of a local agency to comply with this section.

(c) (1) ***In the event that a zoning ordinance becomes inconsistent with a general plan by reason of amendment to the general plan, or to any element of the plan, the zoning ordinance shall be amended within a reasonable time so that it is consistent with the general plan, as amended.***