



November 15, 2011

Honorable Tony Young
San Diego City Council
202 C Street
San Diego, CA 92110

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of Home Builders

Dear Council President Young,

Thank you for the opportunity to present the industry's regulatory reform recommendations at the City Council workshop last night. As you know, more than 40,000 men and women from the construction industry remain unemployed and it is hoped that the implementation of the reforms discussed throughout the evening will help stimulate economic activity that will put thousands of San Diegans back to work.

The BIA wanted to expand on the topics that were discussed as council moves into the next phase to consider implementation on many of the points raised by the BIA and other members of the business community. The attached list provides additional context to our powerpoint presentation.

At your convenience, we would appreciate the opportunity to meet with you and your staff to answer any questions you may have. The BIA stands ready to work together to advance the cause of regulatory efficiency.

Your leadership on this issue is greatly appreciated.

Sincerely,



Matthew J. Adams
Vice president

cc: San Diego City Council Members
BIA Board of Directors

Enclosure



REGULATORY RELIEF WORKSHOP
Monday, November 14, 2011
6:00 p.m. – 8:00 p.m.
San Diego City Hall



- 1. Compliance with state bond exoneration regulations.**
The city is currently out of compliance with state law as defined by Senate Bill 1019 (Correa, Chapter 174) that establishes the amount and specific deadlines for the release of performance bonds. State law provides a release of 80% of performance bonds when predetermined work is completed, yet the city limits the release to 75%.
- 2. Reduction in parking requirements to reflect urban development and on affordable housing projects.**
The just released independent report on affordable housing parking needs concludes that the city's current parking standard results in excessive parking requirements.
- 3. A return to a 'by right' tandem parking option.**
This was a ministerial process up to 2004 when it was removed from the Residential Parking Overlay zone. It is now a discretionary process that adds time and costs to projects. Tandem parking allows for back to back parking design rather than side by side and does not affect the number of parking spaces.
- 4. Revise the Severe Fire Hazard Maps.**
The maps, while intended for use in wildland/urban interface areas, have become broad and overreaching. It requires projects to build to higher fire standards in built out urban areas such as Mission Hills.
- 5. Revise park standards and allow for the use of equivalencies in urban development.**
As San Diego moves to vertical development in established communities the vacant land needed to satisfy traditional suburban park requirements is unavailable, therefore equivalency standards (such as upgrading existing facilities) must be established.
- 6. Establish sunset clause on new regulations.**
The Council should determine whether their public benefit continues to justify their cost of compliance. The cost - benefit analysis should be reviewed in determining whether to extend or sunset the regulation.

Process Reform

- 1. Permit third party review of project applications.**
There should be an option for developers to select private sector processing of project applications. Cities, such as Santee and Carlsbad already do so using firms like Esgil to provide plan check services that are more timely and less expensive.

2. **Self-Certification for building/engineering plans.**
The city requires indemnification for all projects and inspections which means project applicants assume all the risk yet are still required to pay for and wait for city inspectors that ultimately bear no responsibility in the project they are reviewing. Self-Certification by project professionals will expedite project processing and construction saving considerable time expense.
3. **Treat Apartments and Condominium projects on single lots equally.**
Apartments on single lots are permitted ministerial review while a condo project on the same single lot requires map waivers that require additional regulatory review adding significant time and costs.
4. **Establish service performance criteria.**
Development Services and other departments that control the development process should have performance evaluations. Public and private companies self evaluate annually, quarterly and in some venues, daily, so the city departments should establish performance criteria as well. The private sector can't move any faster than the public sector allows.
5. **Revise city imposed CEQA significance thresholds.**
The City has established thresholds of significance and relies on them in applying CEQA. The City has the ability to review and revise these thresholds to streamline the process and eliminate unnecessary and costly (time and money) review, technical study and overly burdensome mitigation, and yet still achieve CEQA's purpose. A good example of this are thresholds relating to traffic levels of service (LOS). The city can adjust these thresholds so that more projects may proceed without triggering more significant environmental review and mitigation.

Fees

1. **Expand Fee Deferrals to include sewer/water.**
2. **Eliminate automatic 7% escalator in FBA fees. E.g. North University FBA.**
3. **The city must provide more accountability on Deposit Accounts.**
Provide timely invoices with detailed project data.
4. **Reimbursement Agreement overhaul.**
Agreements take too long, impose unworkable restrictions and requirements and ignore the necessary sequencing of development which discourages developers from building public improvements.

General Comment

1. **Impose regulatory restraint and resist the temptation to exceed state mandates.**
State requirements should be considered the ceiling, not the floor when considering new regulations.
2. **Require any potential legislation to include a cost impact/ benefit analysis on the business sector being regulated.**
3. **The City MUST appoint an OMBUDSMAN to be used as part of a dispute resolution process in order to expedite projects that have become encumbered by excessive regulatory review.**
4. **Create a city level "Little Hoover Commission" with strong private sector involvement to do the same thing that was done at the state level.**