



COUNTY OF SAN DIEGO

BOARD OF SUPERVISORS

1600 PACIFIC HIGHWAY, ROOM 335, SAN DIEGO, CALIFORNIA 92101-2470

AGENDA ITEM

COUNTY OF SAN DIEGO
2019 APR 22 AM 11:17
CLERK OF THE BOARD
OF SUPERVISORS

DATE: April 30, 2019

07

TO: Board of Supervisors

SUBJECT:

EXPANDING THE INNOVATIVE HOUSING TRUST FUND (DISTRICTS: ALL)

OVERVIEW

With affordable housing options in this region becoming increasingly scarce, the San Diego County Board of Supervisors responded in 2017 by creating the Innovative Housing Initiative (Initiative) to increase the regional supply of affordable housing. The Initiative, launched with \$25 million of County funding, was structured to address housing needs by leveraging construction, acquisition and/or rehabilitation of housing for low income households and vulnerable populations. To date, the Initiative has significantly demonstrated its return on investment through 453 permanent affordable housing units currently underway with allocations totaling almost \$12 million through an initial Notice of Funding Availability (NOFA). The total development cost of these projects is over \$177 million.

The remaining \$13 million of the Innovative Housing Trust Fund, with an application deadline of March 5, 2019, had tremendous interest. The notification for recommended funding for viable projects is planned to take place this summer. With the anticipated expenditure of the entire \$25 million Fund, today's action seeks a second infusion of \$25 million for additional affordable housing projects. The recommendations include revisions to the ordinance in order to broaden the criteria for use of future monies to provide more opportunities for critical housing assistance.

Today's action supports the Initiative and the County's *Live Well San Diego* vision by ensuring that veterans, persons with disabilities, seniors, transition-age youth and families who are homeless and at-risk of homelessness have access to affordable housing, thereby enhancing their quality of life and promoting a healthy, safe and thriving region.

RECOMMENDATION(S)

CHAIRWOMAN DIANNE JACOB AND VICE-CHAIRMAN GREG COX

**SUBJECT: EXPANDING THE INNOVATIVE HOUSING TRUST FUND
(DISTRICTS: ALL)**

1. Find pursuant to Section 15061(b)(3) of the State of California Environmental Quality Act (CEQA) Guidelines that the proposed actions are categorically exempt from environmental review because the actions do not constitute approval of a project and it can be seen with certainty that there is no possibility that the activity in question will have a significant effect on the environment.
2. Refer to budget the establishment of an additional \$25,000,000 appropriation in order to expand funding for the Innovative Housing Trust Fund and direct the Chief Administrative Officer to identify the funding source.
3. Direct the Chief Administrative Officer to:
 - a. Revise Section 232.5 of Article XV of the San Diego County Administrative Code to include transitional housing as eligible projects in the criteria for the use and distribution of the funds from the Innovative Housing Trust Fund.
 - b. Revise Section 232.5 of Article XV of the San Diego County Administrative Code to include a preference for affordable housing projects located in the unincorporated areas of San Diego County in the criteria for the use and distribution of the funds from the Innovative Housing Trust Fund.
 - c. Specify that the changes in Recommendation 3 apply to money added into the Innovative Housing Trust Fund on or after June 30, 2019.

FISCAL IMPACT

Funds for this request are not in the Fiscal Year 2018-19 Adopted Operational Plan. If approved, this request will result in a referral to the Fiscal Year 2019-20 Recommended Operational Plan to establish an additional \$25,000,000 appropriation to be deposited in the Innovative Housing Trust Fund. Appropriations for individual projects will be established in the future based on funding from the Innovative Housing Trust Fund.

BUSINESS IMPACT STATEMENT

This proposal will have a positive impact on the business community since funded projects will involve construction work to be performed at various sites throughout the county. Contracts resulting from these recommendations will be executed with nonprofit and private sector firms and will involve a competitive bid process.

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

With affordable housing options in this region becoming increasingly scarce, the San Diego County Board of Supervisors responded in 2017 by creating the Innovative Housing Initiative (Initiative) to increase the regional supply of affordable housing. The Initiative, launched with \$25 million of County funding, was structured to address housing needs by leveraging construction, acquisition and/or rehabilitation of housing for low income households and

**SUBJECT: EXPANDING THE INNOVATIVE HOUSING TRUST FUND
(DISTRICTS: ALL)**

vulnerable populations.

At present, the San Diego region is realizing the success of the Innovative Housing Trust Fund as development is underway. Villa de Vida, located in the City of Poway, will break ground this May to develop 54 permanent affordable housing units for adults with developmental disabilities. Paseo la Paz, located in the San Ysidro area, will open later this year to offer 139 units exclusively for low income families. Among these developments are four others; namely Villa Serena in the City of San Marcos with 85 units to serve families, homeless veterans and individuals eligible under the Mental Health Services Act; The Grove, located in the City of Vista, to serve seniors with 81 units; Playa Del Sol, located near Otay Mesa, with 42 units to serve families and 12 units separately for persons with disabilities; and Vista del Puente, located in the Southcrest neighborhood, with 52 units to serve families, homeless households with special needs and homeless veterans with special needs. To date, the Initiative has significantly demonstrated its return on investment through 453 permanent affordable housing units currently underway with allocations totaling almost \$12 million through an initial Notice of Funding Availability (NOFA). The total development cost of these projects is over \$177 million.

As San Diego continues to experience complex issues of homelessness and housing affordability, combined with an extremely low vacancy rate, the demand for housing suited for low income, vulnerable populations only increases. The remaining \$13 million of the Fund, with an application deadline of March 5, 2019, had tremendous interest. The notification for recommended funding for viable projects is planned to take place this summer. With the anticipated expenditure of the entire \$25 million Fund, today's action seeks a second infusion of \$25 million for additional affordable housing projects in order to harness the early success and impact of the Initiative.

In addition to an expansion of the Fund, the recommendations include revisions to the ordinance in order to broaden criteria for use of future monies to provide more opportunities for critical housing assistance. Recommendation 3 includes criteria allowing for future funds to be allocated for transitional housing. Transitional housing programs are temporary programs that provide shelter and supportive services primarily for homeless individuals and/or families with the goal of helping them live independently and to become self-sufficient while transitioning into permanent housing. Participant length of stay may vary by individual program, usually lasting between 60 days up to 24 months or more, typically provided in the form of single unit or group type settings.

Recommendation 3 also considers criteria including a preference for affordable housing projects located within the unincorporated areas of the County, as unincorporated regions rely exclusively upon the County as its jurisdictional authority and are without the additional local support a city could provide.

SUBJECT: EXPANDING THE INNOVATIVE HOUSING TRUST FUND
(DISTRICTS: ALL)


Previous actions include direction by the Board on June 20, 2017 (21) to the Chief Administrative Officer to return with an ordinance that would create an interest bearing fund, criteria for its use and the adoption of the Fund. The Fund ordinance was brought forward by Housing and Community Development Services (HCDS) on September 12, 2017 (4) and October 10, 2017 (7), adding Section 232.5 to Article XV of the San Diego County Administrative Code.

Today's action supports the Initiative and the County's *Live Well San Diego* vision by ensuring that veterans, persons with disabilities, seniors, transition-age youth and families who are homeless and at-risk of homelessness have access to affordable housing, thereby enhancing their quality of life and promoting a healthy, safe and thriving region.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's actions support the Healthy Families, Safe Communities, Sustainable Environments and Operational Excellence Strategic Initiatives in the County of San Diego's 2019-2024 Strategic Plan by providing funding for the development of safe and affordable housing in the region.

Respectfully submitted,


DIANNE JACOB
Chairwoman, Second District


GREG COX
Vice-Chairman, First District

ATTACHMENT(S)

N/A

SUBJECT: EXPANDING THE INNOVATIVE HOUSING TRUST FUND
(DISTRICTS: ALL)

AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: Yes No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED

Yes No

PREVIOUS RELEVANT BOARD ACTIONS:

June 20, 2017 (21): Innovative Housing Initiative – Tackling Homelessness and Affordability:
Direction to staff to return with an Innovative Housing Trust Fund Ordinance

September 12, 2017 (4): First reading of Innovative Housing Trust Fund Ordinance

October 10, 2017 (7): Adoption of Innovative Housing Trust Fund Ordinance

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

N/A

**ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION
NUMBER(S):**

507889

ORIGINATING DEPARTMENT: Districts 1 & 2

OTHER CONCURRENCE(S):

CONTACT PERSON(S):

Taylor Dupont

Name

619-531-5522

Phone

taylor.dupont@sdcounty.ca.gov

E-mail

Khea J. Pollard

Name

619-531-5511

Phone

Khea.pollard@sdcounty.ca.gov

E-mail