

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, APRIL 26, 2022**

MINUTE ORDER NO. 33

SUBJECT: RECEIVE AN UPDATE ON AFFORDABLE HOUSING ACCOMPLISHMENTS, AUTHORIZE THE ALLOCATION OF AMERICAN RESCUE PLAN ACT FUNDS FOR AFFORDABLE HOUSING, AND ADOPT A RESOLUTION OF THE SAN DIEGO COUNTY BOARD OF SUPERVISORS PROVIDING AUTHORIZATION TO PARTICIPATE IN THE FOURTH ROUND NOTICE OF FUNDING AVAILABILITY FOR THE NO PLACE LIKE HOME PROGRAM ALTERNATIVE PROCESS ALLOCATION FUNDS (DISTRICTS: ALL)

OVERVIEW

The County of San Diego (County) Health and Human Services Agency (HHSA), Housing and Community Development Services (HCDS), administers a variety of housing programs to increase access to affordable and decent housing options for San Diego County residents. HHSA continues to make progress increasing affordable housing opportunities region wide through the issuance of loans for affordable housing development. HHSA utilizes local, state, and federal resources to provide funding for affordable housing development opportunities. Resources include the local Innovative Housing Trust Fund (IHTF), state Special Needs Housing Program (SNHP), state No Place Like Home (NPLH) program funds, state Permanent Local Housing Allocation (PLHA) program funds, federal HOME Investment Partnership (HOME) program and HOME Investment Partnership - American Rescue Plan (HOME-ARP) funds, federal Community Development Block Grant (CDBG) program funds, Excess County land, and federal Project Based Housing Vouchers (PBV's). This combination of resources provided funding for 44 developments with 3,390 affordable housing unit estimated to serve 6,780 individuals at initial occupancy. Affordable housing units include 291 NPLH designated, and 264 units supported with PBV's. Starting with the implementation of the IHTF and integrating other state and federal resources available, HHSA has awarded \$175,750,777 in loan funding for the construction and rehabilitation of affordable housing. Funding includes \$69,725,812 IHTF, \$1,100,000 SNHP, \$79,506,758 NPLH, \$1,504,774 PLHA, \$21,613,433 HOME/HOME ARP, and \$2,300,000 CDBG. Additionally, 8 County sites have been set aside for affordable housing throughout the region. All units will remain affordable for 55 to 99 years.

These items support the County's Framework for Ending Homelessness, specifically Permanent Housing and Support strategic domain. Permanent affordable housing coupled with supportive services is a crucial component of the Framework and the allocation of \$12 million of American Rescue Plan Act (ARPA) funding for the creation of permanent supportive housing for extremely low-income households aligns with serving residents at greatest risk of experiencing homelessness.

Today's actions request the Board receive an update on affordable housing funding efforts including all efforts related to the Innovative Housing Trust Fund, authorize the allocation of \$12 million in American Rescue Plan Act (ARPA) funding, and adopt a Resolution to authorize the County to apply for and accept the Competitive Alternative Process County allocation, under the NPLH Fourth Round Notice of

Funding Availability (NOFA), a minimum of \$29,874,192. The Resolution also states that the County will make mental health supportive services available to support the NPLH units for a minimum of 20 years. Supportive services will be provided by HHSA, Behavioral Health Services. The Resolution is included at Attachment A.

Today's actions support the County's vision of a just, sustainable, and resilient future for all San Diego County residents, particularly for historically underserved communities. Additionally, today's actions renew the County's support of the regional *Live Well San Diego* vision by ensuring low-income residents have access to suitable living environments, as well as enhancing the quality of life for residents by encouraging decent and affordable housing, which promotes a healthy, safe, and thriving region.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Find that the proposed action is not subject to the California Environmental Quality Act (CEQA) as specified under Section 15060 (c)(3) of the state CEQA Guidelines because the activity in question is administrative in nature and is not a project as defined in CEQA Guidelines Section 15378.
2. Receive an update on affordable housing accomplishments.
3. Adopt a Resolution entitled:
A RESOLUTION OF THE SAN DIEGO COUNTY BOARD OF SUPERVISORS PROVIDING AUTHORIZATION TO PARTICIPATE IN THE FOURTH ROUND NOTICE OF FUNDING AVAILABILITY FOR THE NO PLACE LIKE HOME PROGRAM COMPETITIVE ALTERNATIVE PROCESS ALLOCATION FUNDS.
4. Approve the use of \$12 million of American Rescue Plan Act (ARPA) funding allocated for Homeless Services under the County of San Diego's ARPA Framework for the creation of permanent supportive housing for extremely low-income households.
5. Authorize the Agency Director, Health and Human Services Agency, or designee, to issue Notices of Funding Availability, publish notices, award contracts and execute agreements, amend existing contracts as needed to reflect changes to services and funding, execute certification forms, prepare and execute all necessary documents for the submittal, regulatory processing and implementation, and take any other actions necessary to allocate No Place Like Home funding related to Recommendation 3, and American Rescue Plan Act funding related to Recommendation 4, as applicable.
6. In accordance with Section 401, Article XXIII of the County Administrative Code, authorize the Director, Department of Purchasing and Contracting, to issue Competitive Solicitation(s) for the No Place Like Home Program funds and American Rescue Plan Act funding; and upon successful negotiations and determination of a fair and reasonable price, award one or more contracts; award contracts for an Initial Term of up to one (1) year, with four (4) one-year Option Periods, and up to an additional six months, if needed; and to amend the contracts to reflect changes in program, funding, or service requirements, subject to the availability of funds and the approval of the Agency Director, Health and Human Services Agency.

EQUITY IMPACT STATEMENT

The success of affordable housing programs reported to the San Diego County Board of Supervisors (Board) today, contribute to the County of San Diego’s efforts in addressing local housing shortages and increase access to quality affordable housing. Additionally, these efforts result in the creation of private sector jobs and economic opportunities in San Diego County. It is anticipated that County residents in need will benefit from the developments assisted by local, State, and federal affordable housing funding resources. Units created provide housing for low-income families, seniors, veterans, developmentally disabled individuals, homeless individuals, and other special needs groups through-out affordability period.

The limited supply of affordable housing places a financial burden upon many County residents. According to the Center on Budget and Policy Priorities, 4 in 10 low-income people in the United States are either homeless or paying more than half of their income on housing. In San Diego County, 81% of extremely low-income households pay more than half of their income on housing costs as reported by the California Housing Partnership.

The County’s affordable housing efforts make units available to extremely low- (30% AMI), very low- (50% AMI), and low-income (80% AMI) individuals and households. Below for reference are the maximum income limits at each income level. Further, units funded with NPLH funds provide housing for extremely low-income homeless or chronically homeless individuals with a serious mental illness. The NPLH funds along with the \$12 million ARPA funding for permanent supportive housing for extremely low-income individuals and households provide resources for the most vulnerable members in the region.

Area Median Income	1 – Person Household	4 – Person Household
30% (extremely low income)	\$25,450	\$36,350
50% (very low income)	\$42,450	\$60,600
80% (low income)	\$67,900	\$97,000

County affordable housing efforts span the region. Below is a summary of recent investments in affordable housing. This includes 10 developments that have completed construction providing 835 units of affordable housing serving low-income individuals and households that will remain affordable for 55 to 99 years.

Status	# of Developments	# of Units	Communities Served	Funding Invested
Upcoming	21	1,601	City of San Diego, Carlsbad, Escondido, Oceanside, Ramona, Vista, unincorporated Vista, Santee, National City	\$63,088,323 179 PBV’s
Under Construction	13	954	San Marcos, Alpine, Chula Vista, City of San Diego, Vista, Escondido, Carlsbad	\$85,057,182
Completed	10	835	Poway, El Cajon, City of San Diego, Spring Valley, Vista, Carlsbad	\$27,605,272 85 PBV’s

Funding was made available in a Notice of Funding Availability (NOFA). The IHTF and HOME/PLHA/PBV NOFAs were competitive NOFA's and applications must meet minimum requirements to be considered for funding. Funding awards are made to the top scoring developments until all funds are exhausted. The NPLH NOFA is currently open and available for over-the-counter applications. Most recent stakeholder outreach and information regarding IHTF and NPLH funding was presented at the San Diego Housing Federation Roundtable meeting in September 2021. Staff provide technical assistance as needed in response to questions regarding the NOFA and application process. NOFAs are available on the County Housing and Community Development Services webpage and shared via a GovDelivery announcement.

FISCAL IMPACT

Recommendations #1 and #2 - CEQA Guidelines and Receive an update on affordable housing accomplishments.

These recommendations have no fiscal impact. There will be no change in net General Fund cost and no additional staff years.

Recommendations #3, #5 and #6 - Apply for and accept the Competitive Alternative Process County allocation, under the NPLH Fourth Round Notice of Funding Availability (NOFA).

Funds for this request are partially included in the Fiscal Year (FY) 2021-23 Operational Plan in the Health and Human Services Agency (HHSA). If approved, today's recommendation to apply for the No Place Like Home (NPLH) Program Alternative Process County allocation will result in no change in costs and revenue in FY 2021-22 and anticipated costs and revenue of \$29.9 million in FY 2022-23. Upon award of the allocation, full appropriations for Fiscal Year 2022-23 will be requested as part of the Fiscal Year 2022-23 CAO Recommended Operational Plan Change Letter. The funding source is the State of California, Department of Housing and Community Development NPLH Program funds. There will be no change in net General Fund cost and no additional staff years.

Recommendations #4, #5, and #6 - Authorize the allocation of ARPA funding for the creation of permanent supportive housing for extremely low-income households.

Funds for this request are included in the FY 2021-23 Operational Plan in HHSA. If approved, this request will result in no change in costs and revenue FY 2021-22 and costs and revenue of \$12 million in FY 2022-23 for permanent supportive housing. The funding source is American Rescue Plan Act (ARPA). There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

This proposal will have a positive impact on the business community since the recommended actions will result in construction work to be performed at properties that are awarded funding. Contracts resulting from these recommendations may be executed with private sector firms and will involve a competitive bid process. Developments with funding awards are estimated to be completed within the next two to five years.

ACTION:

ON MOTION of Supervisor Fletcher, seconded by Supervisor Anderson, the Board of Supervisors took action as recommended, adopting Resolution No. 22-048, entitled: A RESOLUTION OF THE SAN DIEGO COUNTY BOARD OF SUPERVISORS PROVIDING AUTHORIZATION TO PARTICIPATE IN THE FOURTH ROUND NOTICE OF FUNDING AVAILABILITY FOR THE NO PLACE LIKE HOME PROGRAM COMPETITIVE ALTERNATIVE PROCESS ALLOCATION FUNDS.

AYES: Vargas, Anderson, Lawson-Remer, Fletcher, Desmond

State of California)
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors



Signed
by Andrew Potter