

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, DECEMBER 10, 2024**

MINUTE ORDER NO. 11

SUBJECT: ADOPT A RESOLUTION AUTHORIZING APPLICATION FOR, AND RECEIPT OF, PROHOUSING INCENTIVE PROGRAM ROUND 3 FUNDS (DISTRICTS: ALL)

OVERVIEW

Enhancing access to affordable homeownership offers numerous benefits beyond simply providing a place to live. In the United States, these benefits include greater economic security, improved access to quality education, increased civic and social participation, and better overall health.

On August 15, 2024, the California Department of Housing and Community Development (State HCD) released the Notice of Funding Availability for the third round of the Prohousing Incentive Program (PIP) Round 3. The PIP Round 3 funds are available to jurisdictions, including the County of San Diego (County), that have received a Prohousing Designation from the State. This designation signifies that the recipient has adopted policies that encourage housing development within their jurisdiction. If awarded, these funds will provide down payment assistance to moderate income families earning less than 120% of the Area Median Income, through low-interest, deferred-payment loans for eligible first-time homebuyers in the County's unincorporated area.

On February 7, 2023 (20), the San Diego County Board of Supervisors authorized a resolution for the County to apply for PIP Round 1 funding, and on May 9, 2023, State HCD awarded \$2.4 million to the County. County Housing and Community Development Services has committed all PIP Round 1 funds to an affordable housing development and anticipates expending the funds by March 30, 2025. Additionally, on March 12, 2024 (6), the Board authorized a resolution for the County to apply for Round 2 funding; however, the County was not awarded, as priority was given to jurisdictions who have not previously been awarded PIP funding.

Today's actions include steps towards securing \$1.4 million in potential funding by adopting a resolution that authorizes the County to apply for and, if awarded, accept funds from PIP Round 3.

This item aligns to the County Framework for Ending Homelessness and the Housing Blueprint by ensuring the County continues to focus on prevention and housing stability by addressing root causes, such as housing affordability. Additionally, today's actions support the County vision of a just, sustainable, and resilient future for all, specifically for those communities and populations in San Diego County that have been historically left behind as well as our ongoing commitment to the regional *Live Well San Diego* vision of healthy, safe, and thriving communities. This will be accomplished by ensuring low-income residents have the opportunity for financial assistance in purchasing their first home. In turn, this provides long-term housing stability and fosters a deeper connection to one's neighborhood and community.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Find that the proposed actions are not subject to review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15060(c)(3) because the action is not a project as defined in Section 15378 of the CEQA Guidelines.

2. Adopt a Resolution entitled: A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO AUTHORIZING APPLICATION FOR, AND RECEIPT OF, PROHOUSING INCENTIVE PROGRAM FUNDS.
3. Authorize the Deputy Chief Administrative Officer, Health and Human Services Agency, or designee to execute the State's Standard Agreement for acceptance of the grant funds of up to \$1.4 million, any amendments thereto, and any related documents necessary for the County of San Diego's continued participation in the Prohousing Incentive Program.

EQUITY IMPACT STATEMENT

If awarded, Prohousing Incentive Program Round 3 funds will contribute to the County of San Diego's efforts to address local housing shortages and expand access to quality affordable housing by increasing funding for down payment assistance for low- and moderate-income families. Homeownership has a profound and lasting impact on families and communities. It serves as a pathway for wealth building, acting as a force savings mechanism and benefiting from home value appreciation. The ability to build home equity is key to this process. According to the United States Centers for Diseases Control and Prevention, housing is among the most important social determinants of health. Homeownership provides opportunities to build economic security, social mobility, stability, generational wealth, and a healthy lifestyle. Additionally, low-income families and communities of color face significant challenges to homeownership, including a shortage of affordable housing, limited access to credit, systemic inequalities, and savings for a down payment.

According to a study conducted by Habit for Humanity in 2020, offering low-interest loans with deferred payments to qualified first-time homebuyers for a down payment, families gain an average net wealth that is 400% higher than renters with comparable demographics and incomes, with home equity accounting for 34.5% of total household wealth. In addition, the study found a link between homeownership and wealth growth, showing that each year of owning a home is typically associated with an additional \$9,500 in net wealth. Furthermore, homeowners are 1.3 times more likely than renters to engage in neighborhood groups and civic associations, which bring residents together to address community issues and foster a sense of belonging and responsibility. By participating in community initiatives, homeowners contribute to building safer, more vibrant neighborhoods, benefiting everyone, including renters.

SUSTAINABILITY IMPACT STATEMENT

Today's proposed actions to apply for Prohousing Incentive Program Round 3 funds support the County of San Diego Sustainability Goal #2 to provide just and equitable access in support of sustainable communities. If funds are awarded, they will contribute to providing support that aims to enhance housing affordability and accessibility to low- and moderate-income households. In terms of sustainability in equity, it will provide an opportunity to support with households building generational wealth and housing stability through homeownership down payment assistance. Additionally, this effort aligns with Sustainability Goal #4 to protect the health and well-being of residents in the region by reducing financial barriers for underserved populations, ultimately benefiting the overall health and well-being of individuals and communities.

FISCAL IMPACT

Funds for this request are not included in the Fiscal Year (FY) 2024-25 Operational Plan in Health and Human Services Agency. If approved and awarded, this request will result in estimated one-time costs and revenue of up to \$1.4 million in FY 2024-25 to fund the Down Payment Assistance Program for First-Time Homebuyers. If an award is issued, staff would return to the Board with mid-year actions to

adjust the budget as necessary. The funding source is the California Department of Housing and Community Development Prohousing Incentive Program funds. There will be no change in net General Fund costs and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ACTION:

ON MOTION of Supervisor Montgomery Steppe, seconded by Supervisor Vargas, the Board of Supervisors took action as recommended, on Consent, and adopted Resolution No. 24-132, entitled: A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO AUTHORIZING APPLICATION FOR, AND RECEIPT OF, PROHOUSING INCENTIVE PROGRAM FUNDS.

AYES: Vargas, Lawson-Remer, Montgomery Steppe, Desmond
ABSENT: Anderson

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