

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, MAY 20, 2025**

MINUTE ORDER NO. 2

SUBJECT: ADOPT AN ORDINANCE AMENDING SECTION 232.5 OF ARTICLE XV OF THE SAN DIEGO COUNTY CODE OF ADMINISTRATIVE ORDINANCES RELATING TO THE INNOVATIVE HOUSING TRUST FUND (05/20/25 - FIRST READING; 06/03/2025 - SECOND READING, UNLESS ORDINANCE IS MODIFIED ON SECOND READING); AND APPROVE A REALLOCATION OF FUNDING TO THE INNOVATIVE HOUSING TRUST FUND AND LANDLORD INCENTIVE PROGRAM (DISTRICTS: ALL)

OVERVIEW

As affordable housing resources become increasingly scarce, the County of San Diego's (County) Innovative Housing Trust Fund (IHTF) has been a catalyst in expanding affordable housing options for veterans, seniors, persons experiencing homelessness, and low-income families. On October 10, 2017 (7), the San Diego County Board of Supervisors (Board) established the IHTF to address affordable housing needs throughout San Diego County. To date, the Board has contributed \$105.6 million dollars to the IHTF over five funding allocations. These funds have supported 36 affordable housing developments within 23 communities throughout the region. Once completed, 3,054 deed restricted housing units funded in part with IHTF will become homes to low-income households providing long-term safe, sustainable housing.

In addition to the IHTF, the County provides support and resources for vulnerable populations including those at-risk or experiencing homelessness through interventions such as Capital Emergency Solutions Grant Program and the Landlord Incentive Program (LIP). LIP supports families and veterans experiencing homelessness and provides financial incentives to landlords who rent to these participants in housing programs by the Housing Authority of the County of San Diego.

On May 24, 2022 (6), the Board approved the Capital Emergency Solutions Grant Program. The County made \$10 million available to local cities for the expansion of emergency housing and awarded funds to nine projects. Per the program guidelines, the County would rescind the notice of award if an awarded project is not shovel-ready. On March 27, 2025, the County rescinded the notice of intent to award funding for one project unable to move forward due to external barriers and delayed approvals leaving \$2 million available for re-allocation. County staff is recommending allocating these funds to IHTF and LIP.

Today's request is for the Board to approve the reallocation of funds and the introduction of the proposed ordinance amending Section 232.5 of Article XV of the San Diego County Code of Administrative Ordinances related to the IHTF. The proposed ordinance will integrate prior Board direction from August 31, 2021 (6) to provide a preference for projects on County-owned land declared surplus for future affordable housing, specify a minimum 55-year affordability period as this is not currently in the ordinance, and amend the ordinance to clarify staff time related to affordable housing initiatives is an eligible expense. The ordinance will be introduced on May 20, 2025 and, if approved, it will be scheduled for adoption on June 3, 2025. If the proposed ordinance is altered on June 3, 2025, then on that date a subsequent meeting date will be selected for the ordinance's adoption.

This item aligns with the County Housing Blueprint, ensuring the County continues to prioritize housing stability by expanding access to affordable housing and investing in affordable housing funding sources. 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. Today's action also supports the County ongoing commitment to the regional *Live Well San Diego* vision of healthy, safe, and thriving communities.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

On May 20, 2025:

1. Find in accordance with Section 15060(c)(3) of the California Environmental Quality Act (CEQA) Guidelines, that the proposed actions described herein are administrative in nature and not a project as defined by CEQA Guidelines Section 15378(b)(5).
2. Approve the introduction of the Ordinance (first reading):
AN ORDINANCE AMENDING SECTION 232.5 OF ARTICLE XV OF THE SAN DIEGO COUNTY CODE OF ADMINISTRATIVE ORDINANCES RELATING TO THE INNOVATIVE HOUSING TRUST FUND
3. Authorize the Deputy Chief Administrative Officer, Health and Human Services Agency or designee, to reallocate \$2.0 million from Capital Emergency Solutions Grant Program with \$1.6 million to the Innovative Housing Trust Fund and \$0.4 million to the Landlord Incentive Program.

If, on May 20, 2025, the Board takes the actions recommended in Items 1 - 2 above, then on June 3, 2025:

Consider and adopt (second reading):

AN ORDINANCE AMENDING SECTION 232.5 OF ARTICLE XV OF THE SAN DIEGO COUNTY CODE OF ADMINISTRATIVE ORDINANCES RELATING TO THE INNOVATIVE HOUSING TRUST FUND

EQUITY IMPACT STATEMENT

The Innovative Housing Trust Fund (IHTF) is a locally funded initiative to expand permanent affordable housing across the region, addressing local housing shortages which help to increase access to quality affordable housing. Units produced through the IHTF provide stable affordable housing for vulnerable populations, including lower-income households, persons experiencing homelessness, seniors, and veterans. Housing eligibility requirements vary by development. A one-person household earning up to \$69,480, or 60% area median income (AMI), meets the income requirements for affordable housing and a four-person household earning up to \$99,240, or 60% AMI, also meets the income requirements for affordable housing. Since its creation in 2017, IHTF has supported 36 developments with 3,054 deed restricted units.

SUSTAINABILITY IMPACT STATEMENT

Today's proposed actions support the County of San Diego's Sustainability Goal #2 to provide just and equitable access. This is accomplished by ensuring affordable housing developments are restricted to vulnerable populations including lower-income households, persons experiencing homelessness,

seniors, and veterans by cultivating strong relationships with other local governmental entities and community partners. This allows for a symbolic relationship that has, at its core, a mutual, mission-driven goal to serve the communities that have been disproportionately impacted by poverty.

FISCAL IMPACT

Funds for this request are included in the Fiscal Year (FY) 2024-25 Operational Plan for the Health and Human Services Agency. If approved, these funds will be used to support one-time costs of \$0.2 million in FY 2025-26 and \$1.8 million in FY 2026-27, for a total of \$2.0 million. Funds for subsequent fiscal years will be made available through the appropriate year-end process. This includes \$1.6 million for Innovative Housing Trust Fund to support affordable housing associated costs and \$0.4 million for the Landlord Incentive Program. The funding source is existing General Purpose Revenue. There will be no change in net General Fund costs and no additional staff years.

BUSINESS IMPACT STATEMENT

This proposal will have a positive impact on the business community. Funded projects may involve construction work at various sites throughout the county. Contracts resulting from these recommendations may be carried out with nonprofit and private sector firms and may involve a competitive bid process. Additionally, affordable rents can significantly increase the residual income that households have at their disposal after meeting necessary housing costs. Local businesses stand to gain from the increased buying power made possible by the availability of affordable housing.

ACTION:

ON MOTION of Supervisor Montgomery Steppe, seconded by Supervisor Desmond, the Board of Supervisors took action as recommended, on Consent, introducing the Ordinance for further Board consideration and adoption on June 3, 2025.

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

ABSENT: (District 1 Seat Vacant)

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

