

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, MAY 24, 2022**

MINUTE ORDER NO. 4

**SUBJECT: ADVANCING HOME OWNERSHIP OPPORTUNITIES THROUGH AN
INNOVATIVE COMMUNITY LAND TRUST MODEL PILOT PROGRAM
(DISTRICT: 1)**

OVERVIEW

The County of San Diego (County) is facing a housing and homelessness crisis that can be addressed through the creation of both new affordable housing units and innovative homeownership opportunities. On top of a housing shortage, housing prices have increased, driving both rent and home prices out of reach for many working-class families, while lower-wage workers have fallen even further behind.

By setting funding aside for affordable housing pilot programs, the County can be a leader for housing solutions. The creation of a Community Land Trust (CLT) model proposes a novel partnership between local government and local non-profits to bring transformative change to our region. CLT's are an anti-displacement strategy that will help remove land from the real estate market and secure permanent affordable housing. Casa Familiar, a San Ysidro based community organization, has been committed to serving residents in South San Diego County for 48 years through its dedication to community development. Casa Familiar is introducing an innovative model called Avanzando San Ysidro CLT that will lead to new home ownership opportunities.

Avanzando San Ysidro CLT is a multi-family project that will provide roughly 80-100 affordable units (3-bedroom, 2-bedroom, and 1-bedroom) at 30%-60% area median income (AMI), at three different sites in San Ysidro. The future development will provide affordable housing units with rentable community program space and a Climate Resiliency Park located less than 0.5 miles away. The CLT project would provide ownership or co-op shares opportunities after 15 years of being an affordable housing development through the 15-year Low Income Housing Tax Credit compliance period using a condominium conversion. In this project, equity investors exit after the 15-year period. Rent paid by residents of the project pays down the debt on the units, and at 15 years the units could be sold for the remaining debt to those same residents, making them far more affordable than any other home for sale. Casa Familiar has an established footprint in the community that continues to grow (see Attachment A). The organization's long-standing success is attributed to their ability to respond to community needs and provide services that enhance peoples' quality of life. Avanzando San Ysidro CLT is a direct response to the growing need for affordable housing. Casa Familiar has donated land for the construction of this project and is partnering up with strong developers that have a proven record of capacity to complete this project. This model presents an opportunity to create a new program for a local nonprofit to ensure long-term affordability and ownership opportunities for the community.

This board letter includes actions for the Board of Supervisors (Board) to support the predevelopment work of the Avanzando San Ysidro Community Land Trust. The recommendations include \$1.5 million from the approved funds for research and pilot programs from the Innovative Housing Trust Fund to Casa Familiar and authorize the Chief Administrative Officer to enter into negotiations with Casa Familiar.

I strongly urge your support for the recommendations in this letter to ensure that the Board takes a proactive approach through this pilot program to address the housing crisis faced by the County.

RECOMMENDATION(S)

VICE-CHAIR NORA VARGAS

1. Reserve \$1.5 million from the Innovative Housing Trust Fund set aside in the Fiscal Year 2021-22 County of San Diego Operational Plan for pilot program to expand opportunities for alternative homeownership models, including Community Land Trusts, with the purpose of increasing homeownership among work-class families and lower workers in District 1. Funds for this request will be reserved for up to 36 months.
2. Direct the Chief Administrative Officer to enter into negotiations with Casa Familiar for a forgivable loan of \$1.5 million for the creation of a land trust project, and return to the Board, upon successful underwriting and financial feasibility analysis, with a proposal for use of the funds, and a forgivable loan agreement with Casa Familiar for approval.

EQUITY IMPACT STATEMENT

The County of San Diego (County) is facing an affordable housing and homelessness crisis that can be addressed through the creation of new affordable housing and homeownership opportunities. Housing affordability and housing insecurity are key drivers of regional and statewide poverty rates. The high cost of housing impacts all San Diegans, but the burden falls disproportionately on low-income households and communities of color, especially young families with children. Inequalities across the housing market have also resulted in impediments to fair housing choices and ownership. Housing unaffordability and access to stable housing is a key driver of the regional homelessness crisis. This project is centered in equity by targeting families earning 30-50% of AMI as the priority population. The transition to ownership through this Community Land Trust model will create stable housing options for San Ysidro residents and will directly contribute to building generational wealth.

FISCAL IMPACT

Funds for this request are included in the Fiscal Year 2021-2022 County of San Diego Operational Plan. If approved, this will result in estimated costs and revenue of \$1.5 million for affordable housing projects for predevelopment costs associated with the creation of a pilot Community Land Trust program with Casa Familiar. The funding source is the Innovative Housing Trust Fund allocated specifically for affordable housing purposes for additional innovative and sustainable affordable housing policy research, affordable housing policy development, and implementation and evaluation of affordable housing pilot programs that advance equity, sustainability, and affordability approved by the Board on August 31, 2021 (6). 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 Vargas, seconded by Supervisor Fletcher, the Board of Supervisors took action as recommended, on Consent.

AYES: Vargas, Lawson-Remer, Fletcher, 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

