



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

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First District

JOEL ANDERSON
Second District

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Third District

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Fourth District

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Fifth District

DATE: August 31, 2021

05

TO: Board of Supervisors

SUBJECT

RECEIVE REPORT ON ACCOMPLISHMENTS OF THE \$50 MILLION INNOVATIVE HOUSING TRUST FUND (DISTRICTS: ALL)

OVERVIEW

On June 20, 2017 (21), the San Diego County Board of Supervisors (Board) established the Innovative Housing Trust Fund (Trust Fund) to address shrinking affordable housing options across the region. The Board has provided a total of \$50 million for the Trust Fund to foster the creation of affordable housing; this total is comprised of \$25 million invested at the establishment of the Trust Fund and a second infusion of \$25 million added on April 30, 2019 (7). The Trust Fund is the first of its kind, being the first locally funded/locally administered program to offer funding for affordable housing in the entire San Diego region.

The \$50 million invested in the Trust Fund was made available through four Notices of Funding Availability (NOFA) between December 2017 and March 2020. In less than three years the Trust Fund leveraged \$567 million in other public and private funds to create and preserve 1,397 permanent affordable housing units within 20 developments in 15 communities throughout San Diego County. The inventory of County of San Diego (County) funded and restricted affordable housing increased by 30% due to the Board's investment in the Trust Fund.

The Trust Fund spurs the production and preservation of affordable housing through enhanced partnerships with regional stakeholders. These efforts align with the County's *Live Well San Diego* vision for a healthy, safe, and thriving region along with recent Board efforts in the Framework for Our Future as this report celebrates the accomplishments of the Trust Fund and promotes transparency and open government by ensuring the data related to the \$50 million is available for the public and Board. Additionally, today's action confirms the equitable distribution of resources in 15 communities that will gain much needed permanent affordable housing.

Today's action is a request for the Board to receive the report on outcomes of the Innovative Housing Trust Fund.

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INNOVATIVE HOUSING TRUST FUND (DISTRICTS: ALL)

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Find in accordance with Section 15060(c)(3) of the California Environmental Quality Act (CEQA) that the receipt of the report on the status of the Innovative Housing Trust Fund is administrative in nature and is not a project as defined in CEQA Guidelines Section 15378.
2. Receive the report on outcomes of the Innovative Housing Trust Fund

EQUITY IMPACT STATEMENT

The successes of the Innovative Housing Trust Fund (Trust Fund) reported to the San Diego County Board of Supervisors (Board) today, contributed to the County of San Diego's efforts in addressing local housing shortages which help to increase access to quality affordable housing. Additionally, this resulted in the creation of private sector jobs and economic opportunities in San Diego County. The Trust Fund was implemented with thoughtful consideration from the Board and community stakeholders. It is anticipated that members of all equity seeking groups will benefit from the developments assisted by the Trust Fund. Units created will serve an estimated 18,000 low-income families, seniors, veterans, developmentally disabled, homeless, and homeless with serious mental illness through-out the 99-year affordability period.

FISCAL IMPACT

There is no fiscal impact associated with today's action. There will be no change in net General Fund costs and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

With affordable housing options in the region becoming increasingly scarce, the San Diego County Board of Supervisors (Board) responded on June 20, 2017 (21), by creating the Innovative Housing Initiative (Initiative) to increase the regional supply of affordable housing. The Initiative launched with an initial investment of \$25 million into the Innovative Housing Trust Fund (Trust Fund) and on April 30, 2019 (7), an additional \$25 million increased the total Trust Fund to \$50 million. The Trust Fund is structured to address housing needs by facilitating the construction, acquisition, and/or rehabilitation of housing for low-income households and vulnerable populations.

In December 2017 and November 2018, the County of San Diego (County) issued the first two Notices of Funding Availability (NOFA) and awarded \$25 million to 10 developments with 752 permanent affordable housing units. This investment of \$25 million leveraged over \$317 million, indicating the value of the investment from the Trust Fund as it is leveraged with other development funding sources. In July 2019 and March 2020, the County issued the final two NOFAs and awarded another \$25 million to 10 developments with 645 permanent affordable units. This investment leveraged approximately \$250 million of other development funding sources.

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INNOVATIVE HOUSING TRUST FUND (DISTRICTS: ALL)**

The impact of the Innovative Housing Trust Fund is significant and will lead to the creation or preservation of 1,397 affordable units for low-income families, seniors, veterans, and persons with disabilities in 20 developments throughout the region leveraging a combined \$567 million dollars. At this time, 368 units have completed construction, 673 units are under construction, and 356 units will be constructed and/or rehabilitated within the next one to four years. For additional information, see Attachment A, Innovative Housing Trust Fund Development Details.

Affordable housing developed using the Trust Fund will influence the *Live Well San Diego* indicators of quality of life and align with recent Board efforts in the Framework for Our Future by spurring the production and preservation of affordable housing while leveraging partnerships with stakeholders throughout the region. This report celebrates the accomplishments of the Trust Fund promoting transparency and open government ensuring the data related to the \$50 million is readily available for the public and Board. Housing produced with an investment from the Trust Fund will provide healthy, safe, and equitable affordable housing opportunities for individuals and low-income families region wide.

ENVIRONMENTAL STATEMENT

Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines provides that activities identified in Section 15378 of the CEQA Guidelines are not subject to CEQA review. Section 15378 provides that administrative activities of governments that will not result in a direct or indirect physical change in the environment are exempt from CEQA review. The proposed action is administrative in nature as it involves the receipt of the report on the status of the Innovative Housing Trust Fund. Therefore, the proposed action is not subject to CEQA review pursuant to Section 15061(b)(3) of the CEQA Guidelines.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's actions support the Sustainable Environments/Thriving Strategic Initiative in the County of San Diego's 2021-2026 Strategic Plan, as well as the County's *Live Well San Diego* vision, by providing funding for the development of safe and affordable housing in the region.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'H. Robbins-Meyer', with a stylized flourish at the end.

HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

Attachment A - Innovative Housing Trust Fund Development Details

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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:

November 17, 2020 (11), Authorization to Negotiate and Award Funding from the Innovative Housing Trust Fund; February 25, 2020 (8) Report on Affordable Housing Developments funded from the Innovative Housing Trust Fund; June 25, 2019 (6) Second Consideration: An Ordinance Amending Section 232.5 Of Article Xv Of The San Diego County Code Of Administrative Regulations Relating To The Innovative Housing Trust Fund; May 21, 2019 (10) An Ordinance Amending Section 232.5 Of Article Xv Of The San Diego County Code Of Administrative Regulations Relating To The Innovative Housing Trust Fund; April 30, 2019 (7), Expanding the Innovative Housing Trust Fund; April 9, 2019 (3), Fiscal Year 2019-20 Annual Plan; October 10, 2017 (7), Adoption of Innovative Housing Trust Fund Ordinance; September 12, 2017 (4), First reading of Innovative Housing Trust Fund Ordinance; June 20, 2017 (21), Innovative Housing Initiative- Tackling Homelessness and Affordability

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):**

N/A

ORIGINATING DEPARTMENT: Health and Human Services Agency

OTHER CONCURRENCE(S): N/A

CONTACT PERSON(S):

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