



**JOEL ANDERSON**  
SUPERVISOR, SECOND DISTRICT  
SAN DIEGO COUNTY BOARD OF SUPERVISORS

**AGENDA ITEM**

COUNTY OF SAN DIEGO  
2021 APR 20 PM 12:48  
CLERK OF THE BOARD OF SUPERVISORS

**DATE:** April 6, 2021

**08**

**TO:** Board of Supervisors

**SUBJECT: EXPANDING THE INNOVATIVE HOUSING TRUST FUND  
(DISTRICTS:ALL)**

**OVERVIEW**

Considering the continued shortage of affordable housing in the region, the San Diego County Board of Supervisors took a bold first step on June 20, 2017 by creating the Innovative Housing Trust Fund (IHTF) to increase the regional supply of affordable housing. The initial investment of \$25 million was used to address housing needs by providing funding for the construction, acquisition and/or rehabilitation of multi-family housing for low-income households and vulnerable populations. On April 30, 2019, the Board voted to expand the IHTF with an additional investment of \$25 million.

Through four separate Notices of Funding Availability, the IHTF helped to spur the development of 1,398 units in twenty developments throughout the region. All IHTF funds have been committed to affordable housing developments and leveraged more than \$569 million in other public and private funding sources.

The San Diego Association of Governments' (SANDAG) 6th Cycle Regional Housing Needs Assessment (RHNA) Plan identifies that nearly 99,000 additional affordable units are required to meet the region's need. The COVID-19 pandemic has impacted many San Diegans financially, further attributing to the housing crisis that the region faces. Individuals are in dire need of affordable housing options now more than ever. Today's action would direct the Chief Administrative Officer to refer to Budget for consideration of additional County investment into the IHTF.

IHTF spurs the production and preservation of affordable housing through enhanced partnerships with regional stakeholders. These efforts align with the County of San Diego's *Live Well San Diego* vision for a healthy, safe, and thriving region.

**RECOMMENDATION(S)**

1. Refer to Budget for consideration of the establishment of an additional \$25 million appropriation in order to expand funding for the Innovative Housing Trust Fund.

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FUND(DISTRICTS:ALL)**

**FISCAL IMPACT**

Funds for this request are not included in the County of San Diego's Fiscal Year 2020-21 Operational Plan. If approved, this request will result in an estimated cost of \$25 million in Fiscal Year 2021-22, that will be referred to budget to establish appropriations and identify a funding source. The impact to net General Fund cost will depend on funding sources identified. There is no impact to staff years.

**BUSINESS IMPACT STATEMENT**

Should funds be allocated the recommended actions will have a positive impact on the business community and result in construction work to be performed at selected properties. Contracts resulting from these recommendations may be executed with private sector firms and will 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. The National Association of Home Builders estimates that for each 100 units of affordable housing developed, 100-160 jobs are created in the first year, and 30-32 jobs are created in ongoing years of operation.

**ADVISORY BOARD STATEMENT**

N/A

**BACKGROUND**

Housing affordability in San Diego County continues to be a challenge. Vacancy rates continue to plummet, while housing demand and homelessness are on the rise. The goal of the Innovative Housing Trust Fund (IHTF) is to provide affordable housing for the San Diego region's most vulnerable populations. With a shortage of affordable housing in the region, the San Diego County Board of Supervisors responded on June 20, 2017 by creating the IHTF to increase the regional supply of affordable housing. Since 2017, these funds have been awarded to twenty affordable housing developments, for the creation or rehabilitation of affordable housing through acquisition, construction and rehabilitation. The IHTF has fostered a multitude of public-private partnerships that have helped to alleviate some of the affordable housing scarcity in the region.

The success of IHTF is apparent. In 2019, Villa De Vida in Poway broke ground to develop 54 affordable housing units for adults with developmental disabilities. Paseo La Paz in San Ysidro, is home to 139 units for low-income families. The Grove located in the City of Vista, currently provides 81 units of affordable housing for seniors. Playa Del Sol, located in Otay Mesa, was built with 42 units to serve families with 12 units dedicated for persons with disabilities, and Vista del Puente, which consists of 52 units to serve families, special needs individuals and homeless veterans with special needs. IHTF has significantly demonstrated the return on investment that the County has put into it.

The Board's response to the shortage of affordable housing in the region has resulted in twenty developments across the region being awarded vital funding for the creation and/or rehabilitation

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of 1,398 units of affordable housing. To date, 314 of these units have been completed, 537 are currently under construction, and 547 will begin construction in the near future.

Although the IHTF has had a significant impact on the region's affordable housing supply, there is much more work to be done. SANDAG's 6th Cycle Regional Housing Needs Assessment (RHNA) Plan identifies a need for nearly 99,000 additional units for very low-income, low-income, and moderate-income households. Using the successful IHTF model of leveraging public and private dollars, an IHTF investment of \$3.5 billion would be required to meet this need. Today's action would direct the Chief Administrative Officer to refer to Budget for consideration of additional County investment into the IHTF.

**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,



JOEL ANDERSON  
Supervisor, Second District

**ATTACHMENT(S)**

N/A

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**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), Request for 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:** Board of Supervisors, District 2

**OTHER CONCURRENCE(S):**    N/A

**CONTACT PERSON(S):**

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