



The City of



# Economic Development

## MEETING NOTES

### San Diego Promise Zone

### Housing Affordability Working Group

Thursday, January 13<sup>th</sup> 2022 | 3:30 – 5:00 PM

Via Zoom (Meeting ID: 979 7737 1015 Passcode: 486144)

**Working Group Goal:** To increase access to quality affordable housing

### In Attendance

City of San Diego's Economic Development Department, San Diego Housing Commission (SDHC), United States Department of Housing and Urban Development (HUD), San Diego Habitat for Humanity, San Diego City College, Urban Corps of San Diego County, Chicano Federation, Social Advocates for Youth (SAY) San Diego, CSA San Diego County, San Diego for Every Child.

### Meeting Notes

#### Welcome, Agenda Review, and Partner Updates

- Partners were invited to introduce themselves and provide updates and intentions for the new year

#### State and Federal Policy Updates

Molly Chase, San Diego Housing Commission

- Molly chase provided the group an overview of resources for housing development and homelessness solutions that are expected to come down from the state and federal government.
  - SDHC is closely tracking any legislation that may help assist residents with rent payments or encourage more affordable housing development,
  - The governor made significant investments in housing and homelessness strategies last year and SDHC expects to see those kinds of investments continue this year, especially because California has a considerable budget surplus. Large one-time investments are on the table this year as well.
- An additional \$1.5 Billion will be invested in "fast" solutions to get homeless people off the streets, there will also be \$500 Million allocated to address encampments. It is expected that local jurisdictions will be able to get direct funding and apply for additional grant opportunities.
- Legislation of note passed in 2021 (SDHC can provide 1-pagers on all of this legislation if partners are interested):
  - Senate Bill 8: Accelerates the approval process for housing projects and limits fee increases on housing applications at the local level.

Click the following links to stay connected to the San Diego Promise Zone

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- Senate Bill 9: Changes to zoning codes at the state level.
- Senate Bill 10: Allows a city to bypass environmental review to build as many as 10 units on a single-family parcel near a transit hub or urban infill developments
- Senate Bill 290: SDBL Amendments; grants bonuses, concessions, waivers and parking reductions to projects with qualifying affordable housing.
- SDHC will be tracking housing related legislation introduced in the state senate and assembly intends to advocate for San Diego in those processes and recommend any changes as needed.
  - Assembly member Chris Ward from San Diego now sits on the state assembly housing committee which held its first meeting of 2022 on January 12<sup>th</sup>.
  - The Assembly bills that the Housing Commission will be following are: AB 1068, 672, 682, 834, 916 (changes to ADU height limitations)
- The SDHC is administering the Housing Stability Assistance Program on behalf of the city of San Diego. They have received notice of an additional \$8.3 million becoming available and continue to request additional funds.
- The treasury will be shifting more than \$1.1 billion in pandemic rental assistance and cities that spent the first round quickly. HUD has also received \$62 million from the treasury department for the COVID Rental assistance as well
- The Capital Magnet Fund is also a federal grant opportunity available for non-profits and community development financial institutions. This program is meant to encourage affordable housing development.

#### Opportunity Zones: What are they and how can our partners leverage them?

Erich Yost, United States Department of Housing and Urban Development

- Erich Yost from the Department of Housing and Urban Development joined the group to provide an update on Opportunity Zones nationally and in San Diego and to educate the group on how the program has been performing nationally, and how they can be leveraged for housing development.
  - Partners can access good data on housing through the state's Opportunity Zone map. It maps assets and opportunities in designated neighborhoods.
  - Some benefits have expired but some key ones are available until 2047
    - Step up in basis, Tax exclusion, Tax deferral
  - Erich touched on some negative press that opportunity zones have gotten at the beginning, but that has changed in the last year and half because we have been seeing lots of diverse kinds of investing and the rise of impact investing.
  - The Biden- Harris administration has been promoting opportunity zones in order to promote racial equity
  - The GAO evaluation of early Opportunity Zone activity has found the program shows some promise, but more data needs to be collected.
  - The Ways and Means Committee also held an open meeting in the topic of the Opportunity Zone Program and had recommendations to to improve the program:
    - A more rigorous certification program for funds
    - Allocating dedicated staff for oversight
- Affordable housing is the largest tracked residential category in these designations.

- HUD also offers Opportunity zone webinars which are particularly relevant for tribal communities
- Partners can view the slides from this presentation here:  
<https://docs.google.com/presentation/d/1huxLwC399NHhoo9KseSNoKnPLUolg8GO/edit?usp=sharing&ouid=106699216573745705891&rtpof=true&sd=true>

### Wrap Up and Adjourn

### **Next Meeting**

Thursday, March 10<sup>th</sup> 2022 | 3:30 – 5:00 PM

Via Zoom (Meeting ID: 979 7737 1015 Passcode: 486144)