

Housing Acceleration Program Grant Funding Recommendations

Overview

The State of California established the [Prohousing Designation Program](#) to incentivize and support local and regional governments to meet California's housing goals. SANDAG established a Regional Housing Acceleration Program (HAP) to collaborate on projects that have a broader regional impact on housing using California Department of Housing and Community Development (HCD) Regional Early Action Planning grant program funds.

Staff requested the Regional Planning Committee recommend to the Board of Directors approval of the Cycle 1 HAP call for projects funding recommendations at its March 4, 2022, meeting. The Board previously approved the evaluation criteria and released the call for projects on November 19, 2021. The HAP grants are intended to encourage sustainable and equitable housing practices, while reducing regional vehicle miles traveled and affirmatively furthering fair housing in accordance with goals and guidelines established in the San Diego Forward: 2021 Regional Plan.

The call for projects closed on January 21, 2022. SANDAG received eight applications from local jurisdictions and the County of San Diego for a variety of prohousing projects. Pending approval from the Board, approximately \$1.9 million will be awarded through the Cycle 1 HAP call for projects.

Evaluation Process

An evaluation panel of five SANDAG staff members scored the qualitative responses of each application based on the evaluation criteria. For each project, the project's quantitative scores were calculated by SANDAG Grants staff and were added to the qualitative scores from each evaluator, forming a total score from each evaluator. Seven of the eight projects met the minimum average score criteria and all other requirements established by HCD and state legislation. SANDAG staff recommends those seven projects for full project funding.

A social equity analysis has been conducted and found projects to have no disproportionate effects for low-income populations or disparate impacts for minority populations. All project rankings were independently reviewed by data quality assurance staff to ensure there were no potential errors.

Action: **Approve**

The Regional Planning Committee recommends that the Board of Directors approve the proposed funding recommendations for the Cycle 1 Housing Acceleration Program call for projects.

Fiscal Impact:

Approximately \$1.9 million of Housing Acceleration Program (HAP) grant funds will be awarded to local jurisdictions through Overall Work Program Project No. 3321900.

Schedule/Scope Impact:

Pending Board of Directors approval, HAP grant funds will be awarded and a Notice to Proceed issued by spring 2022. All projects are required to be completed by June 30, 2023.

HAP Results

Based on the draft project rankings, seven project proposals, totaling approximately \$1.9 million, are recommended for full funding. These projects include but are not limited to: support for affordable housing production, Accessible Dwelling Unit assistance programs, displacement studies, smart growth initiatives, and redevelopment of publicly-owned lands.

Next Steps

Staff is seeking the support of the Regional Planning Committee (RPC) for the proposed action at its March 4, 2022, meeting. If the RPC does not support the proposed action the Board will be informed prior to its consideration of this item. Pending approval from the Board, staff will begin executing grant agreements, and projects are anticipated to begin in late April 2022. All project funding must be expended by June 30, 2023.

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Attachments: 1. HAP Funding Recommendations
2. Social Equity Analysis of Cycle 1 Housing Acceleration Program Grant Funding Recommendations

HAP Funding Recommendations

Agency Name	Final Rank	Project Title	Description	Amount of HAP Funding Requested	Amount of Matching Funds	Total Project Cost	% of Matching Funds
Del Mar	1	Housing Feasibility Assessment for Smart Growth Areas	Project with compile Phase I information to study the feasibility of developing at least 54 affordable housing units, obtain expertise/consulting services to secure housing agreement with State 22nd District Agricultural Association. Also complete a Phase II feasibility study to understand what types of incentives maybe be needed to facilitate affordable housing production.	\$225,000	\$186,500	\$411,500	45.32%
San Diego (County)	2	Objective Design Standards	Create objective design standards to implement the Sixth Cycle Housing Element (Housing Element) and comply with State Law (SB 330, SB 35, and SB9). The grant will help facilitate the production of housing in unincorporated communities by establishing clear guidelines and decreasing plan review time for certain projects.	\$250,000	\$100,000	\$350,000	28.57%
Chula Vista	2	Chula Vista ADU Assistance Program	Program will provide assistance to local residents who are interested in constructing ADUs, by offering pre-approved ADU designs, planning software, and a one stop shop webpage with FAQs, the program will make ADU construction more affordable, faster, and easier than before.	\$180,720	\$200,000	\$380,720	52.53%
National City	4	Together We Plan National City	Program is focused on development within areas served by high-frequency transit. Program is an opt-in system for developers to use an alternate calculation method for the number of units proposed on a parcel; rather than putting a limit on dwelling units per acre. No single-family zones are proposed to be included in the opt-in method, mixed-use overlay zones and housing overlay zones would also be included.	\$205,523	\$1,602,227	\$1,807,750	11.37%
Santee	5	Project-Level CEQA Analysis for Town Center Multifamily Housing Sites	Project rezones four large strategic sites consisting of approximately 37.5 undeveloped acres within the City's Town Center. Sites are strategically located within 1/4-mile of the City's trolley station/mobility hub, near retail and services, employment centers, and along the City's planned multi-modal corridor. Rezoning of these sites will produce approximately 923 housing units, including 333 housing units affordable to low-income households.	\$264,000	\$0	\$264,000	0.00%
San Diego (City)	6	San Diego - HAP	City of San Diego - HAP accelerates the production of housing in transit rich areas through a combination of improving building permit processes and studying city-owned sites to evaluate feasibility for housing development.	\$500,000	\$150,000	\$650,000	23.08%
Encinitas	7	Housing Production Assistance	Update the City of Encinitas (City) Permit Ready ADU (PRADU) plans to meet the City's green building code update for 100% all electric new unit developments; retain contract principal planner discretionary plan review services to expedite housing production; and conduct a Displacement Risk Analysis Study to identify the local conditions that lead to displacement.	\$310,000	\$50,000	\$360,000	13.89%
Total Amount of Funds Requested				\$1,935,243			
All projects will be awarded 100% of the funds requested							

* SANDAG received an application from Escondido that was determined an ineligible activity by the HCD. Therefore, the applicant was not recommended to move forward for funding.

Social Equity Analysis of the Cycle 1 Housing Acceleration Program Grant Funding Recommendations

I. Introduction

Staff conducted a Social Equity Analysis to determine whether the funding recommendations for the Cycle 1 Housing Acceleration Program (HAP) Grant would result in an equitable allocation of funding expenditures and services for low-income and minority areas of the County compared to non-low-income and non-minority areas. Table 1, which is included, shows the funding recommendations; the project service areas determined as low-income, non-low-income, minority, and non-minority based on percentage of population as compared to the County of San Diego; and the resulting expenditure allocation percentages. The data in Tables 1 and 2 was independently produced by Yelena Granovskaya, Associate GIS Analyst, and Phoebe Ho, Associate GIS Analyst, and verified for accuracy by Dante Lee, Quality Assurance Analyst.

II. Steps in the Social Equity Analysis

1. Using GIS, staff mapped the service areas for each project recommended for funding under the Housing Acceleration Program Grant. The resulting map is included.
 - Staff used the service area descriptions provided by applicants in their applications to map the project service area of each project recommended for funding.
 - For the purposes of this analysis the entire city limits of the jurisdiction in which the project is proposed was used as the service area, even if the applicant indicated specific sites or parcels for their project. This approach was used because any project that results in an increase of housing units within a jurisdiction and furthers the 6th Cycle Regional Housing Needs Assessment (RHNA) allocation goals of that jurisdiction benefits residents throughout the jurisdiction.

2. Staff determined the percent low-income and percent minority within the service area of each project recommended for funding using the spatial data mapped in Step 1 and demographic data from the 2020 SANDAG Population and Housing Estimates. Low-income was defined as households with a reported household income of \$44,999 or less, or at or below 200% of the 2012 federal poverty level adjusted for inflation. The minority population was defined as any persons not identifying as non-Hispanic White. These definitions of low-income and minority are consistent with those used in the 2021 Regional Plan. Table 1 shows the list of projects recommended for funding under the Housing Acceleration Program Grant and the percentage of low-income and minority populations within each of the project's service areas. Next, staff compared these percentages to the percentage averages for low-income and minority populations for the County of San Diego. Table 1 shows a "1" or a "0" next to each recommended project for each category (low-income and minority), where a 1 means the project would serve an area with an equal or higher percentage than the County average, and a 0 means the project would serve an area with a lower percentage than the County average.

3. Based on the funding recommendations, staff next calculated the percentage of recommended funding for projects that would serve identified low-income areas and the percentage of recommended funding to serve identified minority areas. This also is shown in Table 1.
4. The map created in Step 1 were overlaid with the low-income households and minority populations for the County of San Diego. The population groups are displayed as dot densities where 1 dot is equal to 300 people or 100 low-income households.
5. Lastly, staff used the data in Table 1 and the map to determine whether any disparate impacts or disproportionate treatment would be experienced by low-income or minority populations resulting from the proposed funding awards.

III. Summary of Analysis

The analysis shows a broad geographic distribution of program funding would occur based on the service areas of the projects recommended for grant funding. Although only half of the projects recommended for funding through the Housing Acceleration Program Grant are located in areas with a percentage of minority population or low-income population equal to or greater than the County's overall average, the nature of the grant program and the broader goals of affordable housing planning and production encourage increased affordable housing in high-income and high-resource areas to be beneficial to low-income and historically underserved communities because it offers increased housing options for these populations in these areas.

Based on this understanding the analysis shows that low-income and minority populations would receive an equitable proportion of the Housing Acceleration Program Grant benefits. Below are the more specific findings.

Minority

Table 1 shows that 3 of the 7 Housing Acceleration Program Grant projects recommended for funding have service areas with a percentage of minority population equal to or greater than the County's overall average. The 3 projects represent the full city limits of 3 different jurisdictions and 45.79% of the total Housing Acceleration Program Grant funding to be awarded.

Low-Income

Table 1 shows that 5 of the 7 Housing Acceleration Program Grant projects recommended for funding have service areas that have a percentage of low-income population equal to or greater than the County's overall average. The 5 projects represent the entire city limits of five jurisdictions and 72.35% of the total Housing Acceleration Program Grant funding to be awarded.

IV. Conclusions

The analysis found that the funding recommendations proposed by the Evaluation Panel for the Housing Acceleration Program Grant will result in an equitable distribution of funds and services to low-income and minority populations. Additionally, funding allocated to jurisdictions with a percentage of low-income and minority population below the County of San Diego overall average can benefit low-income and minority populations throughout the region by providing more housing options and opportunities in high-income and high-resource areas where, currently, there are limited affordable housing options.

Table 1

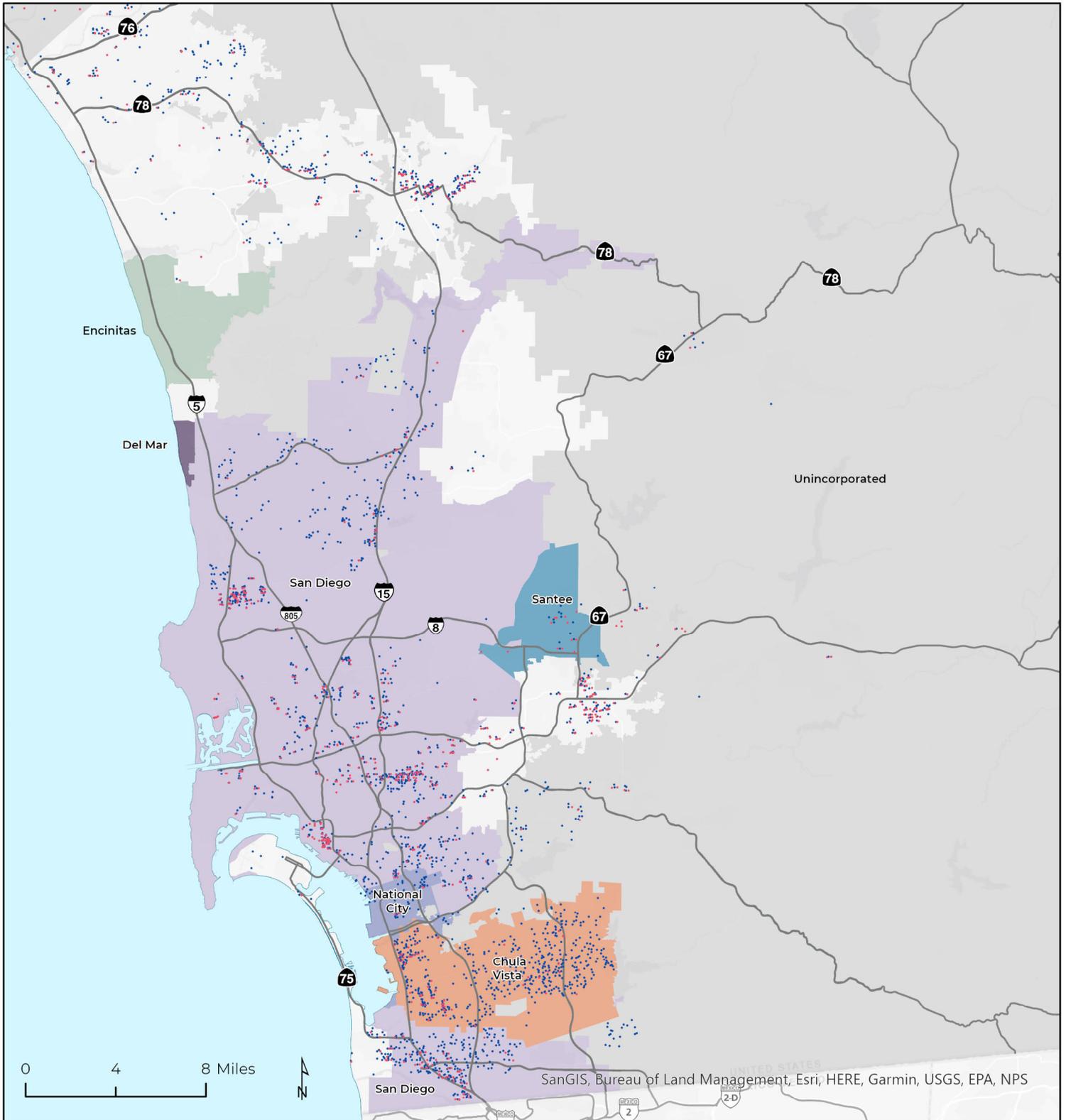
Housing Acceleration Program													
Grantee	Project Name	Project Area	GIS File (Y/N)	Total Population	Minority Population	% Minority	Total Households	Low Income Households	% Low Income	% Minority at/above County	% Low Income at/above County	Recommended Award Amount	% of Total Funding Recommended
County of San Diego - Department of Planning and Development Services	Objective Design Standards	Unincorporated area of San Diego County	N	505,675	232,022	45.88%	165,057	48,770	29.55%	0	1	\$ 250,000	12.9%
City of Encinitas	Housing Production Assistance	Encinitas city limits	N	62,183	17,112	27.52%	24,802	5,672	22.87%	0	0	\$ 310,000	16.0%
City of San Diego	San Diego Housing Acceleration Program (SD-HAP)	San Diego city limits	N	1,430,483	799,521	55.89%	522,397	163,087	31.22%	1	1	\$ 500,000	25.8%
City of Del Mar	City of Del Mar - Housing Feasibility Assessment for Smart Growth Areas	Del Mar city limits	Y	4,268	1,113	26.08%	2,087	352	16.87%	0	0	\$ 225,000	11.6%
City of National City	Together We Plan	National City city limits	N	62,099	49,405	79.56%	16,239	8,270	50.93%	1	1	\$ 205,523	10.6%
City of Chula Vista Housing Division	Chula Vista ADU Assistance	Chula Vista city limits	N	272,202	211,511	77.70%	83,316	25,317	30.39%	1	1	\$ 180,720	9.3%
City of Santee	Project-Level CEQA Analysis for Town Center Multifamily Housing Sites	Santee city limits	Y	57,999	20,643	35.59%	20,618	5,370	26.05%	0	1	\$ 264,000	13.6%
SAN DIEGO COUNTY				3,343,349	1,807,081	54.05%	1,522,703	363,267	23.86%	Total Amount Recommended		\$ 1,935,243	100.0%

Projects per Category	Minority	Low-Income	Total Projects	7
	3	5		

HAP Projects Recommended for Funding	Category	Amount Recommended for Funding	Percent of Total Recommended
	Minority	\$ 886,242.68	45.79%
	Low-income	\$ 1,400,242.68	72.35%

SANDAG Social Equity Data

Housing Acceleration Program Grant Projects Recommended for Funding



Jurisdiction Recommended for Funding

- Chula Vista
- Del Mar
- Encinitas
- National City
- San Diego
- Santee
- Unincorporated

Minority Population

● 1 Dot = 300 people

Low Income Households

● 1 Dot = 100 households

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Minority Pop is defined as any persons not identifying as non-Hispanic White. Low Income households are defined as households with a reported household income of \$44,999 or less.