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HomeAid on Homelessness

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Housing Supply and Homelessness Solutions - Moving Into Alignment

A rapid-fire series of events occurred late September and early October that may be signaling a time of increased alignment and cooperation between the cities and county to address housing and homelessness.

The County of San Diego declared homelessness a public health crisis on September 27th. The declaration directs the county chief administrative officer to work with all city governments in the region and the Regional Task Force on Homelessness to take a regional approach to tackling the issue.

The same day a letter submitted to form a pilot workforce housing program and a revolving loan fund by Supervisor Joel Anderson and Vice Chair Nora Vargas to the County Board of Supervisors was approved. This recognition that homeownership for middle-income earners needs to be made a priority is welcomed, and there's more work to do to shape the new program – but it's a great initiative.

On October 3rd, a joint San Diego City Council and Board of Supervisors meeting took place focused on the housing crisis. This kind of joint meeting has not taken place in 22 years due to differences in strategy, but the crisis has hopefully created more of a teamwork approach. Furthermore, it emphasizes that a regional approach needs to be taken. The outcome of that joint meeting was a resolution to create 10,000 units of affordable housing by 2030 on public owned land, 3000 of which are already in the pipeline.

These moves will be important to monitor in the coming months to assure they are making progress.

Mayor Todd Gloria started the focus on catalyzing middle-income housing in 2021 by forming the Middle Income Housing Working Group ("MIHWG"). He was ahead of the current trend. The group's report was released in February 2022 which has solid ideas to increase the building of middle-income housing in San Diego – whether it's within the mayor's direct purview or represents something the office of the mayor could champion. The recommendations can also be used in other cities in our region but will vary city by city.

Middle-income can be defined as 80-150% of Area Median Income, as adjusted every year by the United States Department of Housing and Urban Development. In San Diego, this currently means household incomes of between approximately \$75,000 and \$140,000, depending on household size.

The MIHWG report focused on three areas of impact: City actions; Advocacy; and Strategic convening.

City actions included reducing development fees, reforming stormwater policies to encourage small projects, creating a vacancy tax to discourage absentee property ownership, update local code to account for new lower cost construction materials and technologies, provide increased resources and support for the City departments, particularly the Development Services Department which handles building permits.

Advocacy considerations include the creation of a construction loan guarantee program, temporary or partial property tax abatements, and enhancing community land trusts. An example of a successful guarantee program was recently supported by BQuest Foundation, based in San Diego, which provided an approximately \$6 million-dollar unfunded guarantee so that the construction lender would move forward with the development. The guarantee from BQuest Foundation covered losses up to 100% of the loan amount, enabling developer to proceed with construction. The guarantee helped mitigate perceived lender risks associated with the project, assisted a nonprofit borrower with constrained collateral and a limited track record, but supported the critical construction of multifamily housing.

The work of tackling our housing affordability challenge goes beyond governmental policy, resolutions, and declarations. There is an opportunity for the private sector to partner with the public sector to lead and tackle the housing affordability issue from both sides.

Developers, designers, utility companies, contractors, labor, construction materials and technology all need to be integrated into finding solutions that work. Philanthropy can play a significant role and many foundations are exploring and experimenting with how to effectively contribute. The MIHWG recommended that meetings between these entities be convened on a regular basis to develop policies and practices for expediting these integrations.

The Burnham Center of Community Advancement (BCCA) is a new foundation created by long time civic leader Malin Burnham. It is a think-and-do tank that is focused on making the San Diego binational region a better place for all. The BCCA Housing Working Group is one of three committees just getting started to identify where they can apply their expertise and support to help tackle the issue of our housing affordability crisis. Middle income housing is one of the focus areas.

The housing crisis is complex, and it has been decades in the making. It's going to take time, political will, community will and resources to implement solutions. There are many nonprofits, foundations, public sector and private sector organizations and individuals working hard to try to crack this nut. Our success will be incremental, as is all change, but by following the lead of the City and County of San Diego to work more collaboratively, our hope is that we will find more effective solutions more quickly.

Mary Lydon is Executive Director for HomeAid San Diego and chair of the Burnham Center for Community Advancement Housing Working Group. HomeAid San Diego is a local affiliate of HomeAid America, which includes 19 chapters across the United States that attack the reality of homelessness with a unique and collaborative approach. Through housing development, community engagement, advocacy and workforce development, HomeAid improves and expands housing and resources for those experiencing or at risk of homelessness in the San Diego region.

Deborah Norwood Ruane is the Founder and Manager of the Middlemarch Fund and participates on the Burnham Center for Community Advancement Housing Working Group. She was also a member of Mayor Todd Gloria's Middle Income Housing Working Group. The Middlemarch Fund's mission is to invest in affordable, scalable housing that does not require public subsidies, but thrives via a fund that directly invests in housing for middle-income residents.