



# AGENDA REPORT

**Department:** Housing Authority  
**Prepared by:** Angelita Palma, Acting Director of Housing  
**Meeting Date:** Tuesday, August 15, 2023  
**Approved by:** Ben Martinez, Interim City Manager

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## **SUBJECT:**

Ratifying the SANDAG HAP 2.0 grant application and accepting the terms of the grant agreement to fund "Own National City."

## **RECOMMENDATION:**

Adopt the Resolution entitled "Resolution of the City Council of the City of National City, California, ratifying the grant application and accepting the terms of the grant agreement with the San Diego Association of Governments (SANDAG) for the Housing Acceleration Program (HAP) Cycle 2 Call for Projects to fund "Own National City," a plan to study innovative homeownership models on City-owned property zoned for residential use"

## **BOARD/COMMISSION/COMMITTEE PRIOR ACTION:**

Not Applicable.

## **EXPLANATION:**

**Background:** In 2019, the State of California provided grant funding through the California Department of Housing and Community Development (HCD) to San Diego Association of Governments (SANDAG), a regional metropolitan planning organization, to collaborate on housing projects at a regional scale. This program is known as Regional Early Action Planning (REAP).

SANDAG launched the Housing Acceleration Program (HAP) using state REAP funds. As part of this program, National City was previously awarded a HAP grant of \$205,523 to partially fund the Focused General Plan Update (FGPU), approved per City Council Resolution No. 2022-77.

**Current Grant Opportunity:** REAP 2.0 was established as part of the 2021 California Comeback Plan under Assembly Bill 140. This new program builds on the success of the first round of REAP and expands the program focus by addressing housing and climate at the same time. For this new cycle of funding, SANDAG will support jurisdictions through HAP 2.0 funding to continue to help accelerate housing production for all. HAP 2.0 funds must meet the following program objectives and other criteria listed in the grant [Cycle 2 Call for Projects](#).

- Accelerating infill development facilitates housing, supply, choice, and affordability.
- Affirmatively furthering fair housing
- Reduce vehicle miles traveled

**"Own National City":** Staff submitted an application for \$471,300 in HAP 2.0 funding on August 3, 2023. The application is for a plan titled "Own National City." The plan is to conduct at least three (3) site assessments on City-owned property to study innovative homeownership models to

be used as prototypes for future development. The City-owned properties for site assessments will be selected from those listed in Section 5.1.2 of the Housing Strategic Plan (Exhibit “B”). The homeownership models that will be studied for each proposed site may include, but are not limited to:

- Community land trusts
- Deed restrictions
- Limited-equity cooperatives
- Condominiums
- Rent-to-own
- And combinations thereof

The site assessments will focus on the different homeownership model scenarios with various income levels that contribute toward the implementation of the goals and objectives contained in the plans and policies mentioned in the next section. Own National City will accelerate infill development that facilitates housing supply, choice, and affordability; affirmatively furthers fair housing; and reduces vehicle miles traveled.

**Policies & Plans:** City policies and plans discussed in the application target *low and moderate resource areas\** defined by HCD and therefore target vulnerable populations. Own National City will contribute toward the implementation of the plans and policies listed below by providing homeownership opportunities to help rectify National City’s overrepresentation of renters. This project affirmatively aims to enhance National City’s communities.

- [Housing Strategic Plan](#)
  - Objective #3: Expand housing choices, including homeownership opportunities, for lower- and moderate-income households. Promote mixed-income housing as opportunities allow.
  - Accepted by the City Council and Housing Advisory Committee
- [National City Housing Element](#)
  - Goal 5: Promote and implement fair housing practices and equal access to housing opportunities for all income levels.
  - Policy 5.4: Support increased homeownership across all income levels for National City residents.
  - Approved by the Housing Advisory Committee and City Council per Resolution No. 2021-102.
- Amendment to [City Council Policy No. 901](#)
  - Pending City Council approval on 8/15/2023.
  - The Amendment to the “Management of Real Property” would require that the City conduct a feasibility analysis to create sustainable and affordable homeownership on any City-owned property zoned for residential use.
- [Focused General Plan Update \(FGPU\)](#) - “Together We Plan”
  - Together We Plan includes the [FGPU](#) and [updates to several documents](#).
  - Pending the Planning Commission’s public hearing and recommendation to City Council on [8/21/2023](#); and
  - Pending the City Council Public Hearing on [9/5/2023](#) (Action item: approve or deny) and the second reading on [9/19/2023](#).

\*HCD defines low and moderate resource areas by economic indicators that include: poverty, adult education, employment, job proximity, median home value, and additional environmental indicators.

**Homeownership in National City:** Pursuing homeownership opportunities through Own National City will help to reduce the gap between National City and the region. The 2020 Census count estimates 32.7% of housing units in National City are owner-occupied. In contrast, the average owner-occupied housing units for the County is 54.1%. Own National City will propel the implementation of [City Council Policy No. 901 Amendment](#) and the desired buildout of housing density prioritized through [Focused General Plan Update \(FGPU\)](#) [land use and zoning code updates](#).

**Timeline:**

Staff submitted a HAP 2.0 application to SANDAG on 8/3/2023. Upon City Council approval on 8/15/2023 to ratify the submittal of the grant application and accept funds for Own National City, staff will submit the signed resolution to SANDAG. On 9/22/2023, a notice of intent to award funds will be released. The SANDAG Board of Directors will consider the funding recommendations of the HAP 2.0 grant for approval on 10/27/2023. If awarded, the City will receive a grant agreement and notice to proceed from SANDAG in November. Staff will return to City Council in early 2024 to allocate the funds to Own National City.

Activity	Date
Release the Call for Projects	5/7/2023
Prospective Applicant Webinar (2:00-3:30 p.m.)	5/17/2023
CFP Question Deadline (by 5:00 p.m.)	7/21/2023
Deadline to request application assistance	7/21/2023
Responses to all questions released in BidNet	7/28/2023
<b>Application Deadline (by 5:00 p.m.)</b>	<b>8/4/2023</b>
<b>Applicant Resolution Deadline (by 5:00 p.m.)</b>	<b>9/3/2023</b>
Notice of Intent to Award	9/22/2023
Regional Planning Committee considers funding recommendations	10/6/2023
Board of Directors considers funding recommendations	10/27/2023
Grant Agreements Executed/Notices to Proceed Issued	November 2023

**FINANCIAL STATEMENT:**

All grant funds must be expended on the Own National City program by December 31, 2025. A match for the grant is not required. However, City staff time will be used to maximize points awarded by SANDAG to the project.

**RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:**

Housing and Community Development

**ENVIRONMENTAL REVIEW:**

This is not a project under CEQA and is therefore not subject to environmental review.CCR15378; PRC 21065.

**PUBLIC NOTIFICATION:**

Agenda Report posted within 72 hours of meeting date and time in accordance with Brown Act.

**ORDINANCE:**

Not Applicable

**EXHIBITS:**

Exhibit A – HAP 2.0 Application

Exhibit B – Housing Strategic Plan

Exhibit C – Resolution