

****REVISED #2****

Grant Application

I. Applicant Information

Applicant Name	City of National City
Applicant Address	1243 National City Blvd National City, CA 91950
Contact Name	Ben Martinez
Title	Interim City Manager
Phone	619-336-4240
Email	CMO@nationalcityca.gov

Does the applicant have an adopted Climate Action Plan (CAP)?

Yes No*

*If No, describe the steps the applicant is taking to develop a CAP and the anticipated timeline for adoption.

An update to the CAP is complete and is scheduled to be adopted on September 5, 2023.

II. Project Information

Project Title	Own National City
Project Area Description (Include the transit priority area and/or network and nearby amenities)	At least 3 sites selected from 6 City-owned properties zoned for residential use in National City. Mobility Hub: National City Mobility Hub TAZs: 4425, 4426, 4427, 4323, 4343, 4490 See attached map.
Brief Project Summary	National City wishes to utilize HAP 2.0 funds to undertake site-assessments on City-owned properties to study innovative homeownership models in a plan called "Own National City." The City views increased homeownership for National City residents as an important tool for pursuing fair housing and equal access to housing opportunities (Housing Element Policy 5.4). Market development forces have so far not adequately provided those opportunities, as evidenced by 2020 Census data showing that National City's owner-occupied housing rate of 32.7%, compared with 54.1% for the surrounding San Diego County. One of the primary difficulties in developing homeownership opportunities accessible to lower-income residents is that comparable per-unit funding subsidies do not go as far for homeownership units as they do for multifamily rental units. As such, multifamily units represent a vast majority of affordable units developed in National City. In fact, National City's 2022 Housing Element

****REVISED #2****

	<p>Annual Progress Report revealed that 305 housing units were issued building permits in National City, but only six (6) of those are to be owner-occupied.</p> <p>Therefore, the City is looking to implement innovative solutions to incorporate homeownership at accessible levels for National City residents. To accomplish that, it is imperative to study the feasibility of homeownership models for these sites to ascertain best practices for infill development and evaluate which would be best to pursue. This project will complete site assessments on at least three (3) City-owned properties to be utilized as prototypes for eventual development. These homeownership models may include, but are not limited to:</p> <ul style="list-style-type: none">• Community land trusts• Deed restrictions• Limited-equity cooperatives• Condominiums• Rent-to-own• And combinations thereof <p>Own National City will assist in the implementation of numerous city goals and priorities. It will take tangible steps towards the development of housing in close proximity to transit to reduce VMT and associated emissions. It will increase the supply of homeownership opportunities, expand housing choice options, contribute towards RHNA objectives, and bring housing supply closer in line with demand, which will alleviate the pressure on the price. In coordination with City plans and policies, it will aim to reduce excess development costs associated with parking, design standards, and other preventable development costs. And it will align with the City's policies of prioritizing homeownership development on City-owned property zoned for residential use, helping to reduce the ownership disparity between National City and the surrounding region.</p>
Brief Project History (if applicable)	<p>National City has recently taken significant steps through community planning to create a policy framework that articulates a vision for the City's long-term physical form and development. A large part of the recent planning efforts have taken place through Together We Plan, which was funded by HAP 1.0 and which incorporates Focused General Plan Updates alongside several others, listed below. Own National City, the proposed project for the HAP 2.0 grant, will contribute towards the implementation of these plans and programs to establish mutual community benefits by tying in affordable homeownership while activating National City's existing and planned transit infrastructure.</p> <ol style="list-style-type: none">1. National City's The Focused General Plan Update (FGPU)<ol style="list-style-type: none">a. Housing Elementb. Land Use Elementc. Transportation Elementd. Specific Plan Amendments

****REVISED #2****

	<ul style="list-style-type: none">e. Bicycle Master Plan2. House National City (HNC) Program3. Climate Action Plan (CAP)4. Zoning Code Updates5. Objective Design Standards6. Housing Strategic Plan7. Amended City Council Policy No. 901
--	--

Project Manager

List the day-to-day project manager/person who will manage the project.

Name	Angelita Palma
Title	Acting Director of Housing Authority
Phone	619-336-4219
Email	Apalma@nationalcityca.gov

Additional Contacts for Grant-Related Correspondence

Include the individual(s) who will prepare the quarterly reports, submit invoices, or otherwise be involved in the project.

Role	Contact #2
Name	David McEachern
Title	Acting Housing Programs Manager
Phone	619-336-4301
Email	Dmceachern@nationalcityca.gov

Role	Contact #3
Name	Nancy Valdivia-Ochoa
Title	Executive Secretary
Phone	619-336-4284
Email	Nvaldivia@nationalcityca.gov

****REVISED #2****

Project Partners

List the name(s) and contact information for any project partners.

Entity Name	CSA San Diego County
Contact Name	Estela de los Rios
Title	Executive Director
Phone	619-444-5700
Email	estela@c4sa.org

Entity Name	San Diego Habitat for Humanity
Contact Name	Kwofi Reed
Title	President and CEO
Phone	619-283-4663 ext 107
Email	Kwofi.reed@sandiegohabitat.org

Does the applicant intend or have an interest in using the SANDAG Sustainable Communities On-Call?

Yes No

III. Project Eligibility

1. The project meets the following REAP 2.0 Program objectives (mark all that apply):
 - Accelerating Infill Development that Facilitates Housing Supply, Choice, and Affordability
 - Affirmatively Furthering Fair Housing
 - Reducing Vehicle Miles Traveled
2. Describe how the project will make a significant beneficial impact that will lead to substantial changes in land use patterns and travel behaviors. Applicants may consider rates of change (e.g., percent increase over a baseline), the magnitude of impact relative to variables or targets, the proportion of need achieved, and the impact relative to past trends, policies, and practices.

National City has recently taken significant steps through community planning to create a policy framework that articulates a vision for the City’s long-term physical form and development. A large part of the recent planning efforts have occurred through Together We Plan, funded by HAP 1.0 and incorporating Focused General Plan Updates alongside several others listed below. Own National City, the proposed project for the HAP 2.0 grant, will contribute towards the implementation of these plans and programs to establish mutual community benefits by tying in affordable homeownership while activating National City’s existing and planned transit infrastructure.

1. National City’s The Focused General Plan Update (FGPU)
 - a. Housing Element
 - b. Land Use Element

****REVISED #2****

- c. Transportation Element
- d. Downtown Specific Plan and West Side Specific Plan Amendments
- e. Bicycle Master Plan
2. House National City (HNC) Program
3. Climate Action Plan (CAP)
4. Zoning Code Updates
5. Objective Design Standards
6. Housing Strategic Plan
7. Amended City Council Policy No. 901

The Housing Element recommends how the City will improve its housing development process and increase its share of equitable, affordable, and accessible housing options for all communities. Furthermore, the Housing Element presents an up-to-date inventory of sites available for residential development in an effort to increase housing opportunities within the City in the next eight (8) years.

The Land Use Element update includes revisions to policies to incentivize housing development in an integrated way with circulation network improvements. Based on the existing conditions analysis, community feedback, recent planning studies, and housing-related needs, a series of goals and policies were updated to guide land use and zoning changes across National City to accomplish this goal. These land use policy updates intend to:

- Foster an integrated development pattern.
- Improve development opportunities in areas served by transit and facilitate the creation of 10-minute neighborhoods based on National City's prior INTRACONNECT (2020) study.
- Support the City's CAP and other sustainability goals.
- Prioritize increasing housing in areas that have access to transit and resources.
- Stimulate the production of additional housing units to meet housing-related needs.

The Transportation Element Update expands upon the existing community corridors typology and identifies two new typologies specific to pedestrians: walkable retail corridors and pedestrian safety corridors. Both typologies focus on pedestrian improvements to improve the pedestrian experience and safety. Walkable retail corridors are located along existing and planned commercial corridors. Pedestrian safety corridors are located along existing and planned residential corridors. Additionally, roads and sub-communities in National City that have a prevalence of speeding issues were identified. To address this, a new typology has been defined; the Traffic Calming District or Traffic Calming Corridor, and recommendations are provided for locations for additional traffic-calming investments by the City.

Specific Plan Amendments included amending the Downtown Specific Plan and Westside Specific Plan policies. These comprised of:

- Development zones allowed uses, densities, FARs, heights, and other development standards.
- Design guidelines.
- Parking requirements to encourage housing production.

****REVISED #2****

The policies aim to streamline housing production for all income categories and align with the Zoning Code and General Plan updates. Amendments to these Specific Plans center on specific conformance with recently adopted plans and those being concurrently revised through the updates to the General Plan and do not serve to create new plans.

Bicycle Master Plan- Goals:

- A city where bicycling is a viable and comfortable travel choice for users of all abilities and backgrounds,
- A safe and comprehensive locally, regionally, and multi-modally connected bikeway network,
- Environmental quality, public health, recreation, and mobility benefits through increased bicycling.

These goals are supported by the National City General Plan policies that will help bicycling become a more viable transportation mode for localized trips, connection to transit, commuting, and recreation throughout the City and site-analysis project area. The Bicycle Master Plan update aligns with changes identified in the National City Focused General Plan Update, Downtown Specific Plan, and Westside Specific Plan, which were funded by HAP 1.0 as well as the 24th Street Transit Oriented Development Overlay (TODO) Study and the INTRACConnect study. The Bicycle Master Plan proposes a more than doubling of existing bike facilities, with 75% of planned additions at Class III and above. Class III bike routes provide shared use with motor vehicle traffic within the same travel lane. Designated by signs, bike routes provide continuity to other bike-designated preferred routes through corridors with high demand. These bike routes have been planned to improve safety and connectivity, such as using “Sharrows” or shared lane markings to delineate that the road is for shared-use.

The Climate Action Plan (CAP) updates the 2009 GHG emissions inventory to 2018 as its baseline year and forecasting emissions for 2030 and 2050, consistent with Executive Order B-30-15 and SB 32. The CAP update would account for new policies from the General Plan update that are expected to expand the City’s housing capacity and implement mobility improvements in select corridors. Updates to the Land Use and Transportation Elements are expected to yield revised projected vehicle miles traveled (VMT) estimates, which will result in updated Greenhouse Gas (GHG) emissions projections and reductions from transportation sources included in the adopted 2011 CAP. The 2022 CAP update accounts for existing plans, programs, and activities that the City has already completed or implemented to reduce emissions and revises, removes, or expands upon 55 emission-reducing strategies from the 2011 CAP to improve GHG reductions in the residential, commercial/industrial, transportation, solid waste, and water and wastewater sectors.

The House National City program was created to incentivize developers to build affordable housing near major bus and trolley stops, known as Transit Priority Areas (TPAs). A key goal is to reduce gentrification pressures and tenant displacement impacts as the city grows. The project areas will encompass all City-owned property zoned for residential use, some of which have been identified for rezoning to increase housing capacity. The rezoning will:

- Foster an integrated development pattern
- Improve the development opportunities in areas served by transit
- Support the City's CAP and other sustainability goals

****REVISED #2****

- Stimulate the production of additional housing units and create consistency for conforming uses

Similar to the State of California’s density bonus program, House National City will allow incentives and waivers for reductions of:

- Maximum lot area and coverage
- Street frontage requirements, if safe access to premises can be provided, to the satisfaction of the City Fire Department
- Maximum front setback or street-side setback if the maximum is less than 20 feet
- Parking: allowance of 1 parking space for units above 800 square feet and .5 parking space requirements for units under 800 square feet
- Personal storage space
- Development impact fees if units are larger than 800 square feet to encourage large units and on-site restricted affordable units.

Zoning code updates were made to regulations and development standards in National City’s zoning code to accelerate housing production in all income categories in a manner consistent with the goals of National City’s Housing Element and recent California State legislation. This includes updates and revisions to floor-area ratios, maximum allowable heights, parking requirements, updated density bonus regulations, and other incentives to increase housing production.

Objective design standards are developed to provide architectural and design requirements to streamline the approval process for qualifying multi-unit residential developments based on zoning, general plan land use designations, and percentages of residential use designated square footage. These standards will serve as the minimum requirements. They will be mandatory for any eligible project for which a streamlined approval process is requested under state law provisions that reference objective design standards. The objective design standards will be incorporated into the municipal code.

The Community Development Commission-Housing Authority of the City of National City (“Housing Authority”) 5-year Housing Strategic Plan was approved in August 2021. The Housing Strategic Plan establishes guidance for the Housing Authority to utilize City-owned real estate and its financial assets for housing purposes to stimulate housing programs, including first-time homebuyer opportunities. The Housing Strategic Plan identifies six City-owned properties to consider for housing development by 2025 and recommends homeownership projects for the majority of the City’s properties being considered for future development.

The HAP 2.0 project, Own National City, will assist in implementing the HAP 1.0 funded plans, policies, and programs, and the 2023 amended City Council Policy No. 901 Management of Real Property to prioritize homeownership development on City-owned property. The amendment to the policy states that when a City property is zoned for residential use and is considered for disposition by the City or Housing Authority, a feasibility analysis must be conducted for homeownership development on the subject parcel.

According to the 2020 Census count estimates, 32.7% of housing units in National City are owner-occupied. In contrast, 54.1% of housing units in San Diego County are owner-occupied. Homeownership can help families purchase property that is likely to steadily increase in value over time, and that can be passed down to the next generation. The passing of wealth through

****REVISED #2****

generations gives future generations a financial step up and creates upward economic mobility. Ideally, this generational cycling of wealth will give the future family the financial means to purchase their own home, invest in businesses, or use it to attend college.

Historically, the majority of City-owned property used for housing in National City has been allocated to meet the need for affordable rental housing. Although the City has created some homeownership opportunities recently through infill development using HOME Investment Partnership funds from the U.S. Department of Housing and Urban Development (HUD), the proportion of homebuyer units available is still well below the region average. The study of the project, Own National City, will be an essential tool and plan for City property to help correct these historical homeownership trends.

3. Describe the effort that will be made to reach low-income, disabled, and minority communities within the project area.

The Own National City study will open opportunities for National City residents to pursue homeownership. It will help to reduce the homeownership gap between National City and the region, which can be seen as a significant contributor to wealth disparity.

National City demographics:

- 65% of National City census tracts are low- and moderate-income
- \$51,735 - Median household income (in 2021 dollars), 2017-2021
- 32.7% - Owner-occupied housing
- 87.9% - of the population is Hispanic or Latino, Asian, Black or African American, Two or more races, American Indian and Alaska Native, Native Hawaiian and Other Pacific Islander
- 74.0% - High school graduate or higher, percent of persons age 25 years+, 2017-2021
- 15.0% - Bachelor's degree or higher, percent of persons age 25 years+, 2017-2021

All of the plans and policies discussed in this application target Low and Moderate Resource areas. Own National City will contribute towards implementing the listed plans and policies, in particular, providing homeownership opportunities to help rectify National City's overrepresentation of renters. This project will affirmatively aim at enhancing these communities.

****REVISED #2****

IV. Project Budget

HAP Funding Request

Total HAP Grant Request Amount	\$450,000.00
--------------------------------	--------------

Matching Funds

List the source(s) and associated dollar amounts of proposed matching funds. Matching funds can consist of in-kind services or cash match from sources other than REAP.

Source of Funding	City Match
Amount of Funding	\$21,300.00

Source of Funding	
Amount of Funding	\$

Total Matching Funds Provided	\$21,300.00
-------------------------------	-------------

V. Responses to Evaluation Criteria

1. ACCELERATING INFILL DEVELOPMENT THAT FACILITATES HOUSING SUPPLY, CHOICE, AND AFFORDABILITY

- A. What is a key barrier limiting the production of Infill housing development in the proposed area that will serve low and moderate-income households? How will the proposed planning activity help overcome this barrier and result in elements that improve housing affordability, timing, cost, feasibility, approval, and housing development?

Some barriers to infill housing in National City include: low incomes and the high cost of new housing construction, ownership of the underlying land, parking, and traffic.

National City’s Housing Element contains policies aimed at making infill more feasible:

- Policy 2.1: Promote residential development on underutilized land and remove barriers to infill development.
- Policy 7.2: Improve infrastructure to support infill development and promote new affordable housing near transit stations, major transit stops, and along transit corridors.

Own National City will seek to identify the most cost-efficient and community-serving models to be used as development prototypes to maximize the likelihood of feasibility and project completion. The cost of purchasing the underlying land can often be the difference between whether or not a project pencils out, so these sites have the advantage of bypassing that step since the site studies will be on City-owned land.

****REVISED #2****

- B. Describe the project's transformative nature and how it advances local transportation and land use goals. The applicant should address how the project supports existing and planned affordable housing developments such as nearby projects, local policies, and ordinances.

By incentivizing dense housing development near transit and studying for innovative homeownership development models, the barriers to accelerating infill development to facilitate housing supply, choice, and affordability can be alleviated. National City has frequent bus service, close proximity to rail, free first and last-mile transportation, and a planned doubling of bicycle infrastructure, which can be seen as alternatives to personal automobile transportation.

Dense housing development prioritization goes hand in hand with the activation of existing and planned transit options. A well-concentrated population of residents can create demand for alternatives to personal automobile transportation. Public transit capacity already exists at a usable level throughout National City, which should see an increase in use, in addition to establishing a demand feedback that will help shape the community's priorities around additional transit infrastructure expansion. Homeownership opportunities through Own National City can help residents avoid housing cost burdens that arise from the precarity of renting while simultaneously building community pride and social infrastructure.

The costs of being forced to rely on personal automobile transportation are felt manifold as well. Not only does it add burdensome costs to residents, but it also increases congestion and emissions, which are detrimental to National City residents' quality of life and health. The costs of personal transportation are also felt by developers, which may feel compelled to include excess parking with their development projects, adding costs and reducing profit.

If Own National City HAP 2.0 is funded, it can contribute towards mutual benefit between recently adopted and in-progress plans mentioned throughout this application. It will help implement these plans and policies to create an alignment with transportation and land use goals for the betterment of both.

2. REDUCE VEHICLE MILES TRAVELED

1. Proximity to Focus Areas for Housing Development

Note: Use the [SANDAG HAP Cycle 2 Interactive Map](#) to locate your project and determine if any of the below apply. To identify the name of the particular Mobility Hub or TAZ, click on the border of the Mobility Hub or the shaded area of the TAZ to view the details. See Figures 3 and 4 below for examples.

****REVISED #2****

Figure 3: Identify Mobility Hub Name

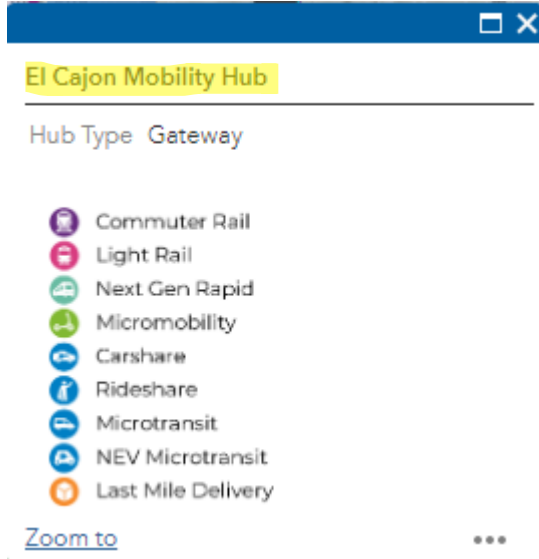
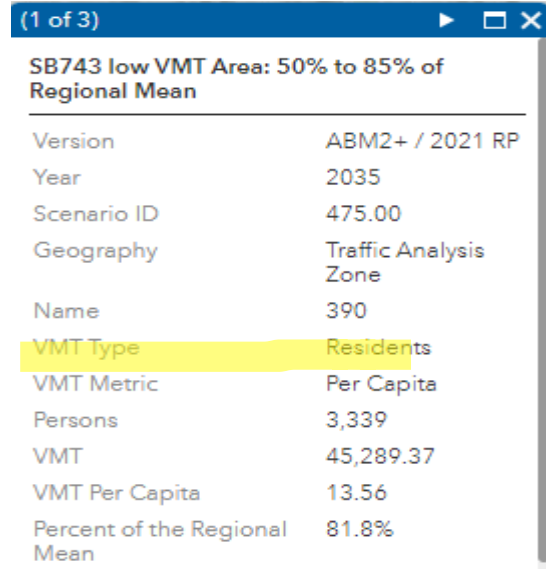


Figure 4: Identify TAZ Name



The project includes or is within (check all that apply):

- Mobility Hub Mobility Hub Name: National City Mobility Hub
- 2035 TPA
- Low VMT Area – SB743
 - less than 50% of regional mean TAZ Name: 4425, 4426, 4427,
 - 50% - 85% of regional mean TAZ Name: 4323, 4343
 - 85% - 100% of regional mean TAZ Name: 4490
- Low VMT Area - TPPA

2. Furthering Mobility Hub Implementation

1. Describe how the project will implement a land use strategy that facilitates VMT reduction. *Specific examples include: Increasing housing density near transit, adopting transit-oriented development incentive zones for affordable housing, reducing or eliminating parking minimums, or other innovative parking management strategies*

By incentivizing dense housing development near transit, common vehicle-miles traveled (VMT) contributors can be reduced in scale. National City has frequent bus service and proximity to rail. It can be seen as an alternative to personal automobile transport, which otherwise adds costs to the resident, increase congestion and associated emissions within the local area, and make it more difficult for developers to site maximum allowable housing units.

House National City allows for reduced parking minimums, while AB 2097 eliminates parking minimums within ½ mile of transit, of which approximately 75% of National City qualifies.

National City is implementing a new program called Free Rides Around National City (FRANC) in September 2023. FRANC will provide a clean and safe travel option around National City for first and last-mile connections through a zero-emission shuttle program to improve quality of life and expand affordable travel options while reducing demand for personal vehicle trips and reducing associated emissions.

The Transportation Element has proposed a framework for a 10-minute neighborhood designed with everything one might need within an accessible walking/biking distance. One of the key components of this is adequate housing near transit, amenities, and jobs.

National City's interconnected community development, mobility, and climate goals will not be fulfilled without sufficient housing for its residents, and Own National City can contribute toward that implementation. Therefore, it is imperative that National City pair its extensive and expanding transit infrastructure with accessible housing opportunities and that those housing opportunities take into consideration the impact on transportation networks and the needs of residents. Studying such potential developments will be critical to elucidate best practices to be further pursued and avoid concerns or difficulties.

****REVISED #2****

2. Describe how the project includes zoning for a higher housing density than is currently allowed. Include the current zoning designations in the project area.

Own National City serves as an implementation tool for existing and in-progress plans and policies that expand the potential housing capacity in the City. The homeownership feasibility studies will assess the maximum allowed number of dwelling units after incorporating increases through the Zoning Code Update and House National City (HNC), an opt-in density bonus program, funded through HAP 1.0.

Additionally, in specifically identified transit corridors, the implementation of HNC the program will materially assist in providing adequate housing for all economic segments of the community; to provide a balance of housing opportunities within the City of National City with an emphasis on housing near transit and community benefits that assist in uplifting the quality of life for residents and reducing the impacts of gentrification and tenant displacement. For purposes of the program, FAR tiers would apply and supersede the dwelling unit per acre maximums allowed by the base zones. The following base zones would be included: MCR-1; MCR-2; MXC-1; MXC-2; MXD-1; MXD-2; RM-1; RM-2; RM-3. The mixed-use overlay zones and the housing overlay zones would also be included.

These tiers include:

- FAR Tier 1 means any premises where any portion of the premises is outside the Downtown Specific Plan (the Downtown Specific Plan already utilizes FAR-based density);
- FAR Tier 2 means any premises located on Plaza Bonita Boulevard, within the Hospital District and along Sweetwater Road/East 30th, as well as the area along 4th Avenue that is south of SR-54 that is zoned MXC-2

Two of the City-owned properties identified for housing development fall within the Downtown Specific Plan and already have residential density limits governed by FAR. Two of the properties for study fall within HNC's FAR Bonus 4 designation.

****REVISED #2****

3. Describe how the project increases connectivity between housing, jobs, amenities, and services in relation to public transit. Specifically, include in your answer how the project improves jobs-housing balance and plans for transportation/ mobility improvements to better connect housing to the existing/planned regional transportation network.

Locating dense housing within National City near high-frequency transit can reduce the number of commuters who work in or near National City but live elsewhere. Each eliminated commute will eliminate corresponding emissions and other associated externalities. Two high-volume employment areas are the Naval Base and the Port. While much of the residential areas are located adjacent to transit, existing housing opportunities in central and western National City may not be enough to meet the housing demand for employees of those industries, forcing at least some of them to live elsewhere. Own National City will contribute towards new homeownership opportunities in National City that can help to close that supply gap.

The proposed actions and policies with the Transportation Element and Bicycle Master Plan, like the 10-minute neighborhood and the doubling of bicycle infrastructure, will positively multiply the community, environmental, and health benefits that homeownership opportunities provided through Own National City will supply.

4. Describe how the project plans for transportation/ mobility improvements to better connect housing to the existing/planned regional transportation network.

The Transportation Element, Bicycle Master Plan, Land Use Element, and House National City will provide for enhanced connectivity, shortened trip distances, a mixture of land uses, and sufficient permitted housing density with the option to enhance density even further. By concentrating transportation and housing relative to one another, the positive feedback of the two will provide for increased quality of both.

Own National City will contribute towards new homeownership opportunities in National City, which will help support the housing side of the “housing + transportation” equation critical to community health, well-being, and prosperity.

****REVISED #2****

3. AFFIRMATIVELY FURTHERING FAIR HOUSING

- Using the [TCAC/HCD Opportunity Map](#), identify the relevant opportunity category for your project. Mark all that apply:
 - Highest Resource
 - High Resource
 - Moderate Resource
 - Low Resource
 - High Segregation & Poverty
- List the Census Tract(s) that your project is located in. To identify the Census Tract number, click on the shaded area of the map where your project is located to view the details. See Figures 5 and 6 below for an example.

The Census Tracts for the project include:

1. 06073021900
2. 06073011700
3. 06073011802
4. 06073011902
5. 06073003204

Figure 5: Identify Census Tract Location

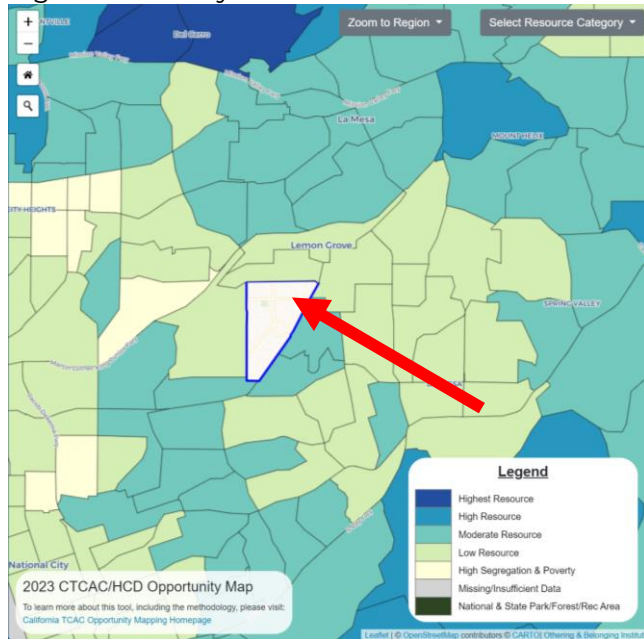
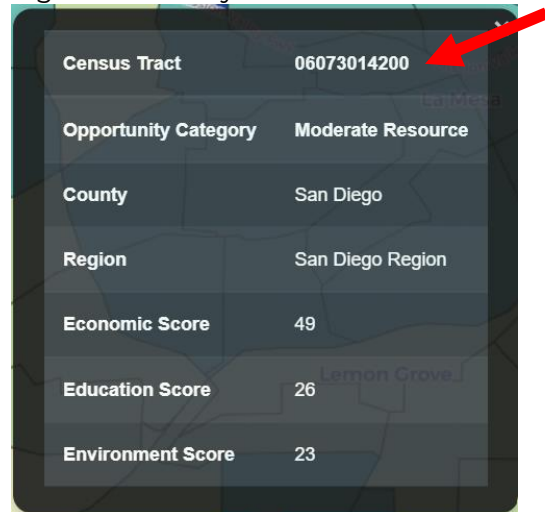


Figure 6: Identify Census Tract Number



****REVISED #2****

- If the project is located in a "Highest Resource" or "High Resource" Opportunity Category, how will the project open the area to low and moderate-income households and historically underserved communities? *Examples include:*
 - *Enhancing housing mobility strategies that remove barriers to housing, housing-supportive infrastructure, and transportation in areas of opportunity*
 - *Encouraging the development of new affordable housing in high resource areas by promoting housing, infrastructure, increased transportation options, and affordability in areas of high opportunity and outside of areas of concentrated poverty.*

Not applicable.

- If the project is located in a "Moderate Resource," "Low Resource," or "High Segregation & Poverty Area," what community revitalization or other place-based strategies are included in the project to enhance community vitality? *Examples include:*
 - *Improving assets in areas of lower opportunity and concentrated poverty, such as targeting investments in neighborhood revitalization, preserving or rehabilitating existing affordable housing, and improving infrastructure, schools, employment, parks, transportation, and other community amenities.*
 - *Projects could also protect existing residents from displacement and preserve housing choices and affordability in areas of lower- or moderate-opportunity and concentrated poverty.*

The census tracts that constitute the City of National City are almost entirely Low or Moderate Resource areas. All of the plans and policies discussed in this application target such areas, and thus target Low and Moderate Resource populations. As Own National City will contribute towards implementing the listed plans and policies, in particular providing homeownership opportunities to help rectify National City's overrepresentation of renters, this project is affirmatively aimed at enhancing these communities.

4. COMMUNITY ENGAGEMENT AND OUTREACH

Describe how community-based organizations and residents have been or will be meaningfully involved in the visioning and development of this project. How has community input shaped the vision for the area?

In order to address potential barriers to participation and maximize reach, planning efforts through the HAP 1.0 partially funded Focused General Plan Update (FGPU) and House National City (HNC) have utilized a variety of media and activities to share information and host discussions. Own National City will be built upon the foundations of those plans.

The FGPU is the product of approximately two (3) years of analysis and outreach. Due to the COVID-19 pandemic and consistent with official public health guidance, outreach activities were shifted from in-person events to virtual platforms. To address potential barriers to participation and maximize reach, a variety of media and activities were used to share information and gather input. These activities were outlined in the project's Community Engagement Plan and on the project's website (www.nationalcityca.gov/fgpu).

Mailers announcing the project and opportunities to get involved were sent to all registered addresses in National City in the summer of 2020 and spring of 2021 in both English and Spanish. Since the FGPU project's kickoff in March 2020, the project team has conducted a total of seven webinars to gather public input. Of these webinars, six were conducted in English with live Spanish interpretation, and one was conducted primarily in Spanish. The combined total attendance over the course 7 of these webinars has been 159 participants (an average of approximately 22 participants per session). An interactive survey was prepared and circulated to the public using the MetroQuest platform; a total of 201 responses were collected. These activities were supplemented with telephone office hours staffed by English- and Spanish-speaking staff. Meetings with stakeholders, including community organizations and developers, were also conducted.

Events and notices were marketed via the City's email listserv, FGPU stakeholder list, and social media sites to share the dates and times of outreach events and opportunities to get involved. Additionally, an interactive map link was made available on the project's website from November 14, 2021, to June 30, 2022, to collect input on an ongoing basis on the proposed land use changes as well.

Community Engagement included:

- Website page with user-friendly URL www.nationalcityca.gov/FGPU.
- Community Engagement Plan: Revised multiple times due to the COVID-19 pandemic to add additional outreach.
- Twelve public meetings, which included Council, Planning Commission, and the Housing Advisory Committee
- Two mailers in both English and Spanish sent via U.S. Postal Service to all registered addresses in National City.
- Seven webinars that included 159 participants (avg. approx. 22 participants per session)
- The interactive survey collected 201 responses.
- The interactive map link was available for seven (7) months.
- Telephone office hours hosted by English- and Spanish-speaking staff were available to speak with interested parties regarding the FGPU.
- Numerous email blasts using the City's email listserv and FGPU stakeholder list.

****REVISED #2****

- Stakeholder input was received from residents, community organizations, Council members, Planning Commissioners, Housing Commissioners, other community leaders, the Chamber of Commerce, and National City staff.

Own National City will also maintain openness to the public through the operation of a City webpage to provide continuous updates. City staff will also present on the project during at least two (2) public meetings.

5. PARTNERSHIPS

Will the applicant partner with other local jurisdictions, nonprofits, transit agencies, or community-based organizations? Mark all that apply. **A letter of support from each partner must be submitted with this application that describes how the partnership will enhance the benefits and outcomes of the project.**

- There are local jurisdictions or transit agency partners on the project that the applicant will collaborate with to share information, plan, and adopt policies together.
- The applicant will partner with a community-based organization or nonprofit to ensure the benefits of the proposed activities are realized by a broad population and in an equitable manner.

Include in the space below the name(s) of the partnership members.

San Diego Habitat for Humanity

CSA San Diego County
(Note the letter of support from CSA indicates San Diego County's owner-occupied percentage at 47.7%, it should be corrected to 54.1%).

Springboard CDFI

Credit.org

6. BOARD POLICY 033

A minimum of 25 percent of the total points in this funding program will be awarded under this Policy based on jurisdictions' adoption of Prohousing policies and demonstrated commitment to advancing housing equity.

A. Prohousing Policies

- Jurisdiction currently has HCD Prohousing Designation

OR

Select all policies currently in place in the following categories:

****REVISED #2****

1. Category 1: Favorable Zoning and Land Use

- Housing element plan for zoned capacity of >150% of RHNA
- Permitting missing middle uses (e.g., duplexes, triplexes, fourplexes, townhomes) in existing low-density single-family zones
- Eliminating minimum parking requirements
- Allowing residential in commercial zones
- Allowing more/larger accessory dwelling units (ADUs) than state law requires
- Density bonus that is >10% more than state requirements
- Established Workforce Housing Opportunity Zone (WHOZ) or housing sustainability district
- Standards to promote more density
- Housing element plan for zoned capacity of >125% of RHNA
- Reduced parking requirements

2. Category 2: Acceleration of Housing Production Timeframes

- Ministerial approval of housing
- Streamlined/program-level California Environmental Quality Act (CEQA) Environmental Impact Report (EIR) for general plans/specific plans etc.
- Permit process that is less than two months
- Elimination of public hearings for projects consistent with zoning/general plan
- One-stop shop permitting processes or single point of contact
- Priority permit processing or reduced plan check times for ADUs/junior ADUs, multifamily, or affordable housing
- Streamlined housing development at the project level
- Permit process that is less than four months
- Three public hearings limit for projects consistent with zoning/general plan
- Eliminated or replaced subjective design standards with objective standards that simplify zoning
- Standard entitlement application
- Publicly posting online status updates on permit approvals

****REVISED #2****

3. Category 3: Reduction of Construction and Development Costs

- Waived development impact fees for housing
- Adopted universal design ordinances
- Preapproved prototype plans for missing middle housing (e.g., duplexes, triplexes, fourplexes, townhomes)
- Measures that reduce costs for transportation-related infrastructure or that encourage active transit or other alternatives to cars
- Reduced development impact fees for housing
- Less restrictive ADU standards than state requirements
- Fee reduction, including deferrals or reduced fees for housing with people with special needs
- Promoting innovative housing types that reduced development costs

4. Category 4: Providing Financial Subsidies

- Local housing trust fund or collaboration on regional fund
- Program to comply with Surplus Lands Act and make publicly owned land available for affordable housing
- Enhanced Infrastructure Financing District (EIFD)
- Prioritization of local general funds for affordable housing
- Grants/low-interest loans for affordable ADUs
- Direct residual redevelopment funds to affordable housing
- Development and regular use of housing subsidy pool, local/regional trust, or similar funding source

****REVISED #2****

Please provide more information on each of the policies selected.

Through recent planning efforts, National City has initiated plans that further Prohousing goals as defined by HCD. Own National City will accomplish that by expanding housing opportunities for National City families. National City also seeks to provide affordable and accessible housing for special needs populations, including large families, seniors, and people with disabilities.

House National City will create an opt-in program is to provide a floor area ratio (FAR) density bonus incentive program for development within areas served by high-frequency transit that provides housing for very low-income and low-income households and additional community benefits. It is intended to assist in providing adequate housing for all economic segments of the community; to provide a balance of housing opportunities within the City of National City, emphasizing housing near transit. The Housing Element reports a zoned capacity of 7,033 units, which is 129% of the 6th Cycle RHNA of 5,437. House National City allows for an additional increase to this zoned capacity should developers elect to opt-in to the program. Developer incentives can include removed impact fees, a streamlined approval process, and parking waivers to reduce costs. Development impact fees are currently waived for affordable units and ADUs less than 750 square feet. HNC allows for reduced parking minimums, while AB 2097 eliminates parking minimums within ½ mile of transit, of which a sizable portion of National City qualifies.

State and federal funding sources play a key role in supporting the daily operations and programs. The Permanent Local Housing Allocation (PLHA) Program funding is made possible through California Senate Bill (SB) 2 of 2017. The PLHA is a noncompetitive entitlement fund to support local affordable housing and homeless services initiatives. The Housing Authority has identified the following priorities as a part of its five-year (2019-2023) spending plan: In Years One and Two, funds will be used to assist households experiencing or at-risk of homelessness, including but not limited to providing outreach rapid rehousing, supportive/case management services to allow people to obtain and retain housing, and operating and capital cost for navigation centers and emergency shelters. In Years Three, Four, and Five, the City of National City will use 100% of its PLHA Funds for the predevelopment, development, acquisition, rehabilitation, and preservation of affordable rental and ownership housing, including accessory dwelling units (ADUs), which meet the needs of a growing workforce earning up to 120 percent of AMI, or 150 percent of AMI in high-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days.

The Housing Authority Fund will assist housing programs and projects by complementing existing federal and state funding sources and effectively increasing and preserving the supply of affordable housing in National City.

B. Housing Equity

The applicant has the following policies or practices that advance housing equity (mark all that apply).

- An adopted inclusionary housing ordinance
- Establishment of rent stabilization

****REVISED #2****

- Establishment of anti-displacement policies in conjunction with transit improvements
- Creation of a strategy or fund to preserve naturally occurring affordable housing
- Creation of tenant protection policies such as access to legal counsel, just cause eviction policy, etc.
- Rezoning and other policies that result in a net gain of housing capacity while concurrently mitigating development impacts on or from environmentally sensitive or hazardous areas.
- Programs, land use plans, and new policies (other than those indicated in the Prohousing Policy Implementation section above) that are intended to result in increased investment (such as infrastructure, housing, open space, etc.) in lower opportunity areas. Such areas include but are not limited to, Low Resource and High Segregation & Poverty areas designated in the 2021 California Tax Credit Allocation Committee (TCAC)/HCD Opportunity Map, and disadvantaged communities under California Senate Bill 535 (2012).
- Zone changes or other policies (other than those listed in the Prohousing Policy Implementation section 3 above) that increase housing choices and affordability in High Resource and Highest Resource areas, as designated in the 2021 CTCAC/HCD Opportunity Maps.
- Displacement risk studies
- Creating a publicly available database of affordable housing properties at risk of losing affordability restrictions through the expiration of rent restrictions or tenant voucher programs
- Proactive monitoring of housing at risk of losing affordability restrictions and proactive enforcement of state-mandated tenant notification provision

****REVISED #2****

Please provide more information on each of the policies selected (or links to documentation)

National City maintains a yearly contract with CSA San Diego County as our Fair Housing provider. CSA provides fair housing services, including landlord-tenant outreach and education, counseling, and mediating of housing disputes. CSA distributes reading materials, holds workshops, presentations, and attends local events to best reach the community and offer assistance. Over 90% of CSA's National City clients are low-income.

National City's adopted and in-progress housing policies are intended to materially assist in providing adequate housing for all economic segments of the community; to provide a balance of housing opportunities within the City of National City, emphasizing housing near transit and community benefits that assist in uplifting the quality of life for residents and reducing the impacts of gentrification and tenant displacement. For purposes of the HNC opt-in density bonus program, FAR tiers would apply and would supersede the dwelling unit per acre maximums allowed by the base zones. The following base zones would be included: MCR-1; MCR-2; MXC-1; MXC-2; MXD-1; MXD-2; RM-1; RM-2; RM-3. The mixed-use overlay zones and the housing overlay zones would also be included.

HNC concessions and community benefits are proposed to be included as part of the permit conditions of a project. In return for the program details, a development project will receive permitting certainty through development incentives that could include ministerial permitting as well as fee waivers.

- Local tenant and living wage benefits. The benefits could include local tenant preference to ensure existing National City residents prefer to apply for new rental and for-sale housing, a living wage requirement for workers employed in the development, a first source hiring system to target job opportunities in the development to residents, and standards for responsible contracting and leasing decisions by the developers. Some potential incentives would be that this process would be required to opt-in.
- Robust affordable housing requirements. The benefits would include a certain percentage of units to be at or below 60% AMI to be determined by the community and the economist, 100% affordable unit projects, requiring all affordable units to be constructed on-site or within ¼ mile, new development cannot include STVR or visitor rentals, and senior housing. Fee waivers would be used as an incentive for this program feature.
- Parking. This program will allow one (1) parking space for units above 800 SF and 0.5 parking spaces for units under 800 SF. This would incentivize transit-supportive infrastructure improvements proposed by MTS and SANDAG's timeline for implementation.
- Minimum Unit Size. Benefits would require replacing existing units, relocation housing benefits, right-to-return granted to existing tenants, and affordable housing rented by a lower-income household (included in the project in the past seven years).
- Anti-Displacement Language. Benefits to this program include required replacement of existing units, relocation housing benefits, right-to-return granted to existing tenants, and affordable housing rented by a lower-income household (in the past seven years) included in projects.
- Location and Design Requirements. Benefits include height protections near single-family zones, additional landscaped freeway setbacks, and design features to address air quality requirements for projects within 500 feet of a freeway to incentivize green rooftops' inclusions and enhance shade-producing landscaping.
- Enhanced Engagement. Opt-in development projects will have a minimum of a public community workshop.

****REVISED #2****

- Child Care Center. Minimum percentage of dedicated space for neighborhood-serving childcare centers.

National City participates in the California Housing Preservation Portal and complies with State preservation notice requirements. We have an internal database of development projects with affordable units that are monitored for compliance with deed restriction provisions and timelines.

Equal Employment Opportunity Certificate

Certificate of Compliance with Equal Employment Opportunity Requirements

The Equal Employment Opportunity (EEO) provisions of the Agreement SANDAG will award to the applicant requires the applicant to provide equal employment to all people, regardless of race, color, religion, sex, or national origin.

Applicant certifies that it will comply with the provisions of the SANDAG Equal Employment Opportunity Program ([SANDAG Board Policy No. 007](#)) and rules and regulations adopted pursuant thereto, Title VI of the Civil Rights Act of 1964, the California Fair Employment Practices Act, and any other applicable federal and state laws and regulations relating to equal employment opportunity, including laws and regulations hereinafter enacted.

Furthermore, the applicant certifies that it

has has not

been found, adjudicated, or determined to have violated any laws of Executive Orders relating to employment discrimination or affirmative action including, but not limited to, Title VII of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000[e] et seq.); the Equal Pay Act (29 U.S.C. 206[d]); Executive Order (EO) 10925 (Kennedy, 1961), EO 11114 (Kennedy, 1963), or EO 11246 (Johnson, 1965); or the California Fair Employment and Housing Act (Government Code 12460 et seq.); by any federal or California court or agency, including but not limited to the Equal Employment Opportunity Commission, the Office of Federal Contract Compliance Programs, and the California Fair Employment and Housing Commission.

If yes, please explain the circumstance in the space below:

N/A

Ben Martinez

Print Name



Interim City Manager

Title

8/2/23

Date

****REVISED #2****

Public Contract Code Questionnaires and Statements

Public Contract Code Section 10162 Questionnaire

The applicant shall complete, under penalty of perjury, the following questionnaire:

Has the applicant, any officer of the applicant, or any employee of the applicant who has a proprietary interest in the applicant, ever been disqualified, removed, or otherwise prevented from bidding or proposing on, or completing a federal, state, or local government project because of a violation of law or a safety regulation?

Yes* No

*If Yes, explain the circumstances in the space below.

N/A

Public Contract Code Section 10232 Statement

In conformance with Public Contract Code Section 10232, the applicant states under penalty of perjury, that no more than one final unappealable finding of contempt of court by a federal court has been issued against the applicant within the immediately preceding two-year period because the applicant failed to comply with an order of a federal court which ordered the applicant to comply with an order of the National Labor Relations Board.

Public Contract Code Section 10285.1 Statement


In conformance with Public Contract Code Section 10285.1 (Chapter 376, Stats. 1985), the applicant declares under penalty of perjury under the laws of the State of California that the applicant

has has not
(must check one)

been convicted within the preceding three years of any offenses referred to in that section, including any charge of fraud, bribery, collusion, conspiracy, or any other act in violation of any state or federal antitrust law in connection with the bidding upon, award of, or performance of, any public works contract, as defined in Public Contract Code Section 1101,

****REVISED #2****

with any public entity, as defined in Public Contract Code Section 1100, including the Regents of the University of California or the Trustees of the California State University. The term "Applicant" is understood to include any partner, member, officer, director, responsible managing officer, or responsible managing employee thereof, as well as any subapplicant of the applicant, as referred to in Section 10285.1 (reference to "bidder/proposer"). Applicants are cautioned that false certification may subject the certifier to criminal prosecution.

<u>Ben Martinez</u>	<u>Interim City Manager</u>
Print Name	Title
	<u>8/2/23</u>
Signature	Date

****REVISED #2****

Applicant Statement Form

Please indicate application completeness by checking the following boxes, then sign and date below. **If the application includes a partnership with multiple jurisdictions, each jurisdiction must sign the Applicant Statement Form.**

As an authorized delegate, I certify that my agency:


- Has read the Grant Agreement Template and accepts and can meet the terms and conditions.
- Understands that SANDAG will not reimburse the applicant for expenses incurred prior to the Notice to Proceed issuance, after the grant term expiration, or after the December 31, 2025, expenditure deadline.

If this application is approved for funding, I certify that my agency:

- Understands the responses in this application will become requirements reflected in the Grant Agreement with SANDAG.
- Agrees to sign and return the Grant Agreement to SANDAG, without exceptions, within 45 days of receipt.
- Will submit progress reports, performance measures, and invoices documenting the use of grant and matching funds to SANDAG no less frequently than quarterly using the method required by SANDAG.
- Will set up a separate project account for quarterly reporting and invoicing.
- Commits to the adoption of the proposed Planning Project by the HAP expenditure deadline (December 31, 2025).

I certify that I agree with the above statements and that the information submitted in this application is complete and accurate.

I have the authorization to submit this Grant Application on behalf of my agency.

Ben Martinez	Interim City Manager
Print Name	Title
	8/2/23
Signature	Date