



# Excess State Lands for Affordable Housing

Presented by Michael Coulom  
Innovative Projects Section Chief  
Department of Housing and Community Development



# Agenda

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The Statewide Housing Plan

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Executive Order N-06-19

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The CAPTI Connection

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Future Opportunities

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Questions and Discussion

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**2.5 MILLION  
HOMES  
NEEDED**

Very Low Income  
**643,352**

Low Income  
**384,910**

Moderate Income  
**420,814**

Above Moderate Income  
**1,051,177**

The California Department of Housing and Community Development

**Statewide Housing Plan**



Filter...

State of California

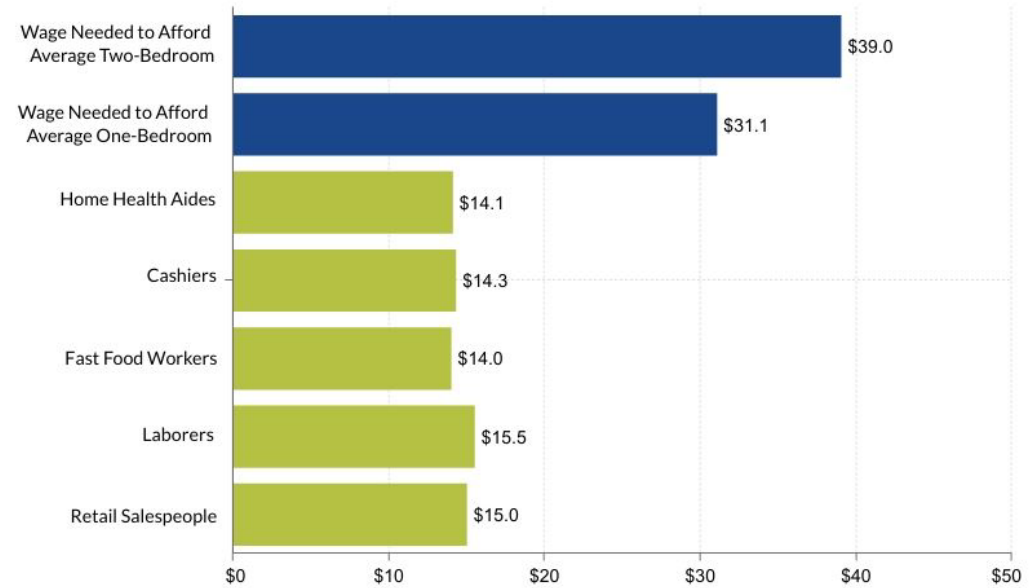
- Alameda
- Amador
- Butte
- Calaveras
- Contra Costa
- Del Norte
- El Dorado
- Fresno
- Glenn
- Humboldt
- Kern
- Kings
- Lake
- Lassen
- Los Angeles
- Madera
- Marin

**In August of last year, the statewide average price of a single-family home reached a new record: \$827,940.**

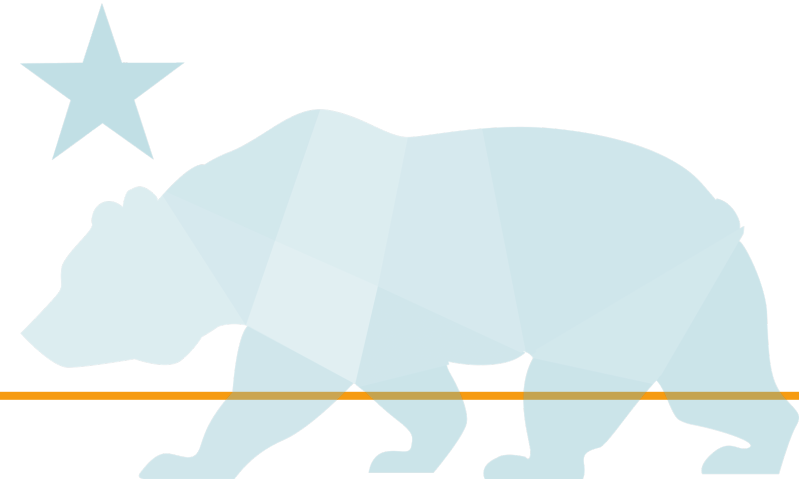


To afford that rent  
and pay utilities,  
you would have  
had to earn  
around \$39.00 an  
hour

Hourly Wage Needed to Afford Average Rental Versus Average Wage in California



Source: Data for Wage Needed to Afford Average Unit is provided by the National Low Income Housing Coalition's 2021 Out of Reach Report. Data for median income by occupation provided by the Bureau of Labor Statistics' May 2020 Occupational Employment and Wage Statistics.





Historical patterns of housing segregation and exclusion



Opposition to neighborhood change



Numerous, varied, and opaque regulatory hurdles



Insufficient land zoned and available for housing



Federal support has not kept up with need



Affordable production constrained by financing limitations



High costs continue to constrain new housing production



Expiring subsidies create potential loss of affordable homes

**This comes from policies rooted in systemic racism within the housing finance system and land use regulations**

“

For years, **California** has been **underbuilding** homes, especially in the **affordable housing** realm. This **lack of supply** and **skyrocketing rents** and **home prices** have created heavy, **overwhelming** cost burdens on families. **One in three** households in our state **don't earn enough** money to **cover basic needs**. It is imperative that we utilize every resource to **get the housing we need** for our state's residents.

— **Gustavo Velasquez**, Director

The California Department of Housing and Community Development

# Statewide Housing Plan



# OBJECTIVES

- 1: Keep Californians in their homes
- 2: Produce more affordable and climate-smart housing
- 3: Continue to act with urgency to address homelessness and housing need

The California Department of Housing and Community Development

**Statewide Housing Plan**





# Objective 2 of the Statewide Housing Plan

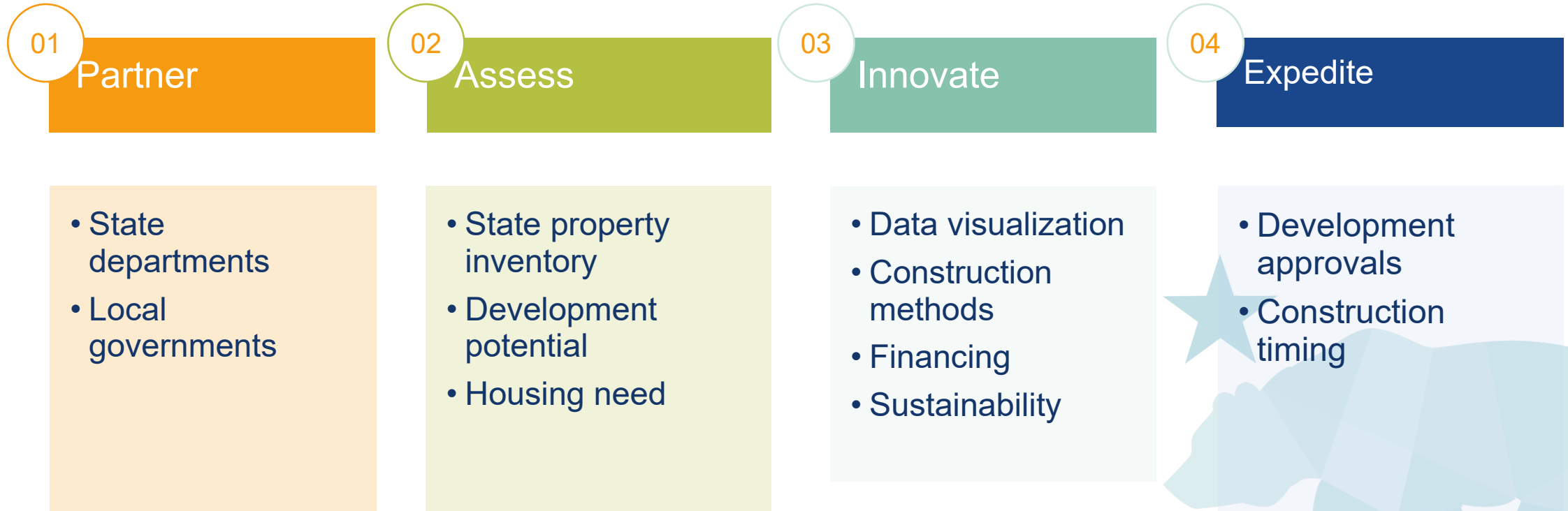
## Produce more affordable and climate-smart housing

- Encourage new housing development in existing communities to reduce vehicle miles traveled (VMT) and mitigate climate change while simultaneously addressing housing need
- Implement climate resiliency and sustainable building strategies
- Research alternative housing models with lower production costs, such as manufactured and factory-built housing, including labor standards
- Continue to hold local communities accountable for compliance with state housing laws



# Executive Order N-06-19 (EO)

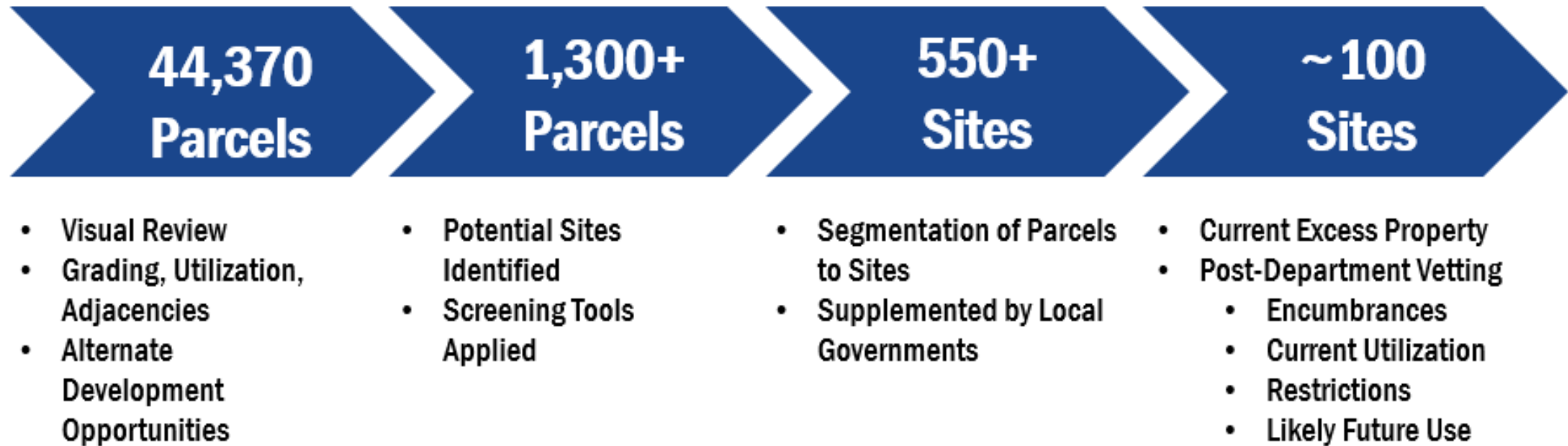
- Offers excess state property to help address the housing crisis through long-term, low-cost ground leases
- Requires interdepartmental partnership to achieve EO goals



# Executive Order N-06-19 Partnerships

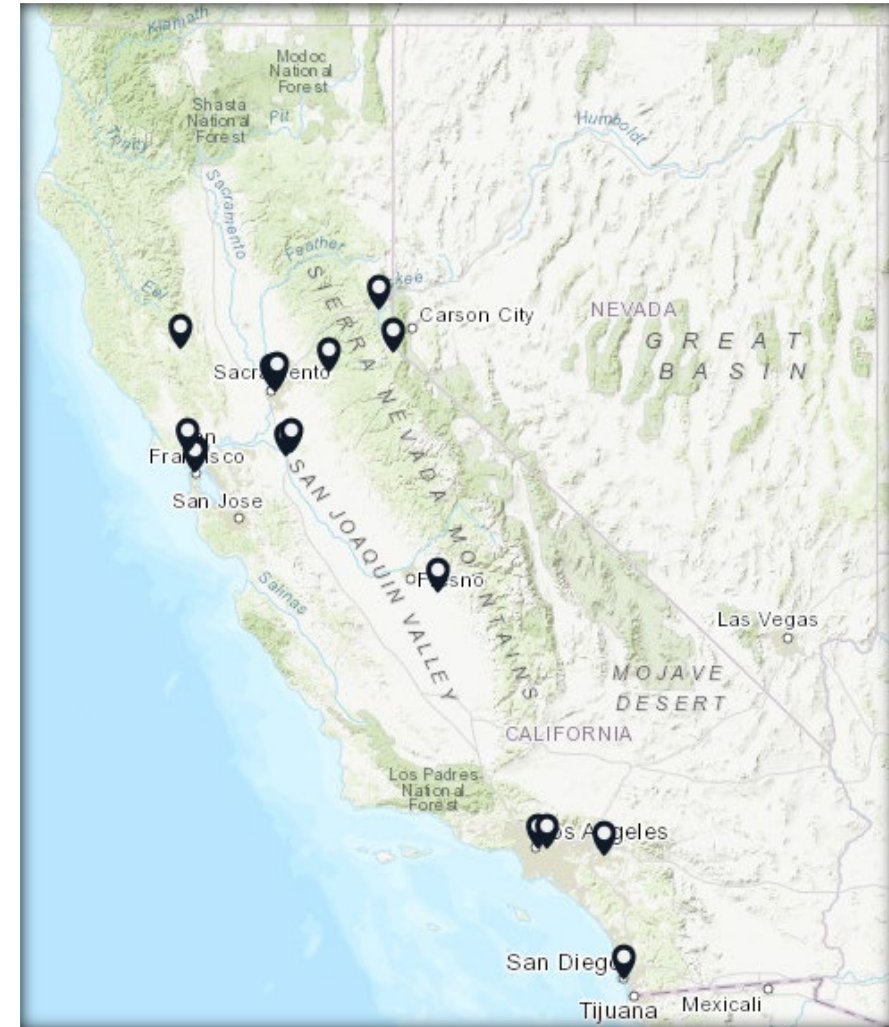


# Executive Order N-06-19 Process



# Executive Order N-06-19 Pipeline

- 14 state agency partnerships
- 17 sites awarded
- 24 projects in pre/development
- 4,000+ new homes
- Extremely low-income to market rate
- 51.67% Average Area Median Income
- Various populations served (e.g. Permanent Supportive Housing, large families, seniors, veterans, farmworkers, educators)



# EO N-06-19 Project Highlights

## Financing Innovation

*Oak Hill – Unincorporated Marin Co.*



Joint Powers Authority  
New Construction  
Bond Financing

## Construction Innovation

*Sugar Pine Village – South Lake Tahoe*



Modular  
Construction

## Sustainability

*Sonrisa Studios – Sacramento*



Cross-Laminated  
Timber

# Oak Hill: San Quentin, Unincorporated Marin Co.

- Up to 250 new homes
- 30-120% AMI households
- Large families, school district and county employees
- High Resource Area
- Approx. ½ mile from **rail and ferry terminals**
- **EV charging**
- Greenpoint Gold goal

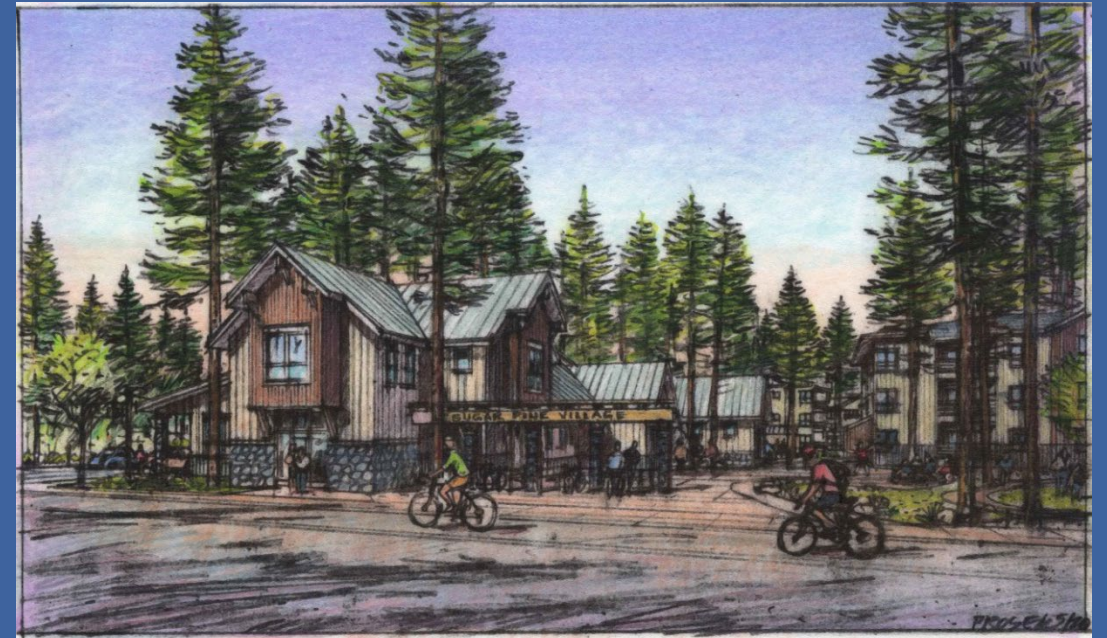


The Oak Hill Apartments will be built on excess buffer property owned by the Department of Corrections & Rehabilitation.



# Sugar Pine Village: South Lake Tahoe

- 248 new homes
- 30-60% AMI households
- All-electric modular prototype
- 100% on-site stormwater retention
- ¼ mile from **regional transit center**
- AHSC funding supports:
  - Class 1 Multi-Use Trail
  - BART/Capitol Corridor Partnership
  - Transit Center resiliency improvements



Sugar Pine Village is under construction on former California Tahoe Conservancy asset land.





# Sugar Pine Village: South Lake Tahoe



# Sonrisa Studios: 1322 O Street, Sacramento

- 56 new homes
- 40-60% AMI households
- All electric microunits
- **Cross-laminated timber** construction
- Centralized heat pump water heating and HVAC
- Secure bike storage room
- **Transit passes** for all residents



Sonrisa Studios, built on land owned by the Department of General Services, will begin lease up in January 2023.



# Leveraging CAPTI and EO N-06-19 Together

The state's inventory of Excess Sites has a critical climate and transportation impact.

## Screening Criteria for Excess Sites Includes:

- Access to Opportunity
- Proximity to job centers
- Proximity to education
- Proximity to high-frequency public transit
- Availability of affordable housing in job and commute sheds
- Gap between supply and demand



**Rendering of 440 Arden Way, Sacramento, a former armory next to SacRT light rail.**

# CAPTI Strategy 7

## Strengthen Transportation Land-Use Connections

Strategy 7 recognizes that addressing California's housing crisis while reducing VMT requires a strong connection between transportation and land use policies.

### Three key actions:

- **S7.1** Leverage Transportation Investments to Incentivize Infill Housing Production
- **S7.2** Create Working Group to Explore Potential Actions to Address Direct and Indirect Displacement in Transportation Programs
- **S7.3** Explore a “Highways to Boulevards” Conversion Pilot Program



# CAPTI Action 7.1

## Leverage Transportation Investments for Infill Housing

### The Infill Housing Policy Landscape

- The speed and cost of housing is deeply impacted by local policy decisions.
- Since 2017, numerous legislative and regulatory changes have accelerated infill housing production, but there is a gap between meeting the legal requirements and truly being a "Prohousing" jurisdiction.
- HCD developed the "Prohousing" framework to reward jurisdictions that go beyond their legal requirements to implement policies that accelerate housing production, particularly in climate smart locations.

### Housing developments (including Excess Sites developments) in Prohousing jurisdictions can expect:

- Lower project costs (including fees)
- Quicker development timelines (units come online faster)
- Entitlement streamlining/ by right approvals



# CAPTI Action 7.1

## Leverage Transportation Investments for Infill Housing

*Building upon the “Prohousing” Standard developed by HCD, competitive funding programs will explore adopting incentives for local policies that tend to support location-efficient and mixed-use housing production [...]*

Funding programs that reward Prohousing jurisdictions include:  
(list may expand overtime)

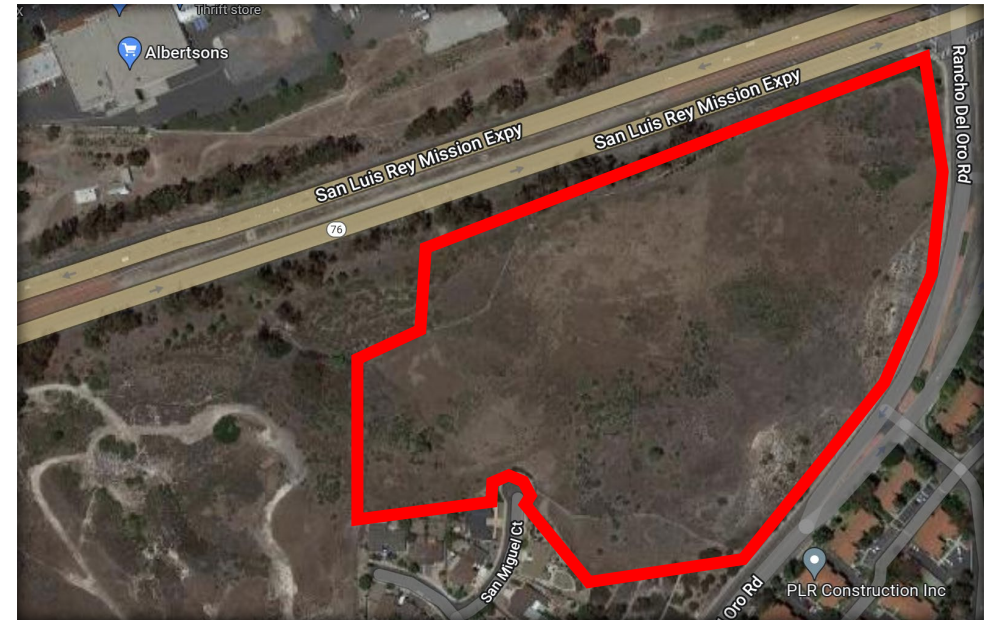
- Affordable Housing and Sustainable Communities (AHSC)
- Infill Infrastructure Grant (IIG)
- Transformative Climate Communities (TCC)
- Transit and Intercity Rail Capital Program (TIRCP)
- **(New!)** Local Partnership Program
- **(New!)** Solutions for Congested Corridors



# Next Up: Oceanside Caltrans Property

The northwest corner of Highway 76 and Rancho del Oro Road in Oceanside is ideally positioned to achieve state and local land use and transportation goals. State planning grants have supported the City with coordinated actions.

- **Caltrans Sustainable Communities Program (SB 1)** funding Smart and Sustainable Corridors Plan
- **HCD SB 2 Planning Grant** to designate incentive districts along commercial corridors for workforce housing.



The 17+ acre property was deeded to the state and preliminary research indicates it can be leased for affordable housing development under HCD's jurisdiction.



COMMITMENT  
INTEGRITY  
LEADERSHIP

March 22, 2022  
Report 2021-114

# FACT SHEET

Michael S. Tilden *Acting State Auditor*

CONTACT: *Public Affairs Office* | (916) 445-0255

## State Surplus Property

*The State Should Use Its Available Property More Effectively to Help Alleviate the Affordable Housing Crisis*

- DGS's identification of affordable housing opportunities will benefit thousands of Californians.
- State agencies are in compliance with EO and statutory requirements, but could be doing more.
- The Legislature should require consistent and ongoing evaluation of excess state-owned property for suitability as sites for affordable housing.



**44,000**  
State-Owned Parcels  
Reviewed by DGS

**690**

Properties (comprising 1,200 parcels) DGS designated as *potentially* suitable for affordable housing development



**92**

Properties DGS designated as suitable for affordable housing development





# Unlocking More Public Lands for Affordable Housing

**Federal partners are revisiting their position on housing as a transportation use.**

- GSA, HUD and HHS anticipate releasing new guidelines for Title V of the McKinney Vento Act, which permits re-use of federal property for housing and homelessness solutions.
- In 2022, USDOT released \$6 billion in competitive grants for infill housing, rural main street revitalization and TOD.
- Forthcoming Transportation Infrastructure Finance and Innovation Act guidelines are expected to provide financial support for projects that include residential development.

**State partners stand ready to receive guidance.**

# How the Board and Commission Can Further EO N-06-19 Implementation

1. What screening criteria would the Board or Commission most value in prioritizing excess land or selecting affordable housing developers?
2. If we want to achieve VMT reduction and increased transit ridership, climate-smart housing is essential. How can we continue leveraging other transportation initiatives to encourage infill production?





# Questions and Discussion

