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\$21M in grants to support more affordable housing on state-owned property

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Self-Help Enterprises cut the ribbon in April 2023 on a new 42-unit affordable apartment complex in Reedley called Guardian Village. Self-Help rendering

Unused land in California may now be converted into affordable housing with a \$21 million award to developers.

Two state agencies — the Business, Consumer Services, and Housing Agency and Department of Housing and Community Development (HCD) — announced last week \$21 million in matching grants to support construction of 369 new homes on state-owned lands in Sacramento, Stockton and South Lake Tahoe.

In 2019, Gov. Gavin Newsom signed an executive order to address the state's affordable housing crisis. Among the measures was identifying state lands that could become housing.

Since then, planning, funding and construction of 5,500 new, affordable homes across the state has been fast-tracked.

The Department of General Services and HCD created a GIS-enabled, searchable and fully interactive map to identify properties for development.

State-owned property in the Central Valley is also becoming affordable homes. In April, developer Self-Help Enterprises broke ground on Guardian Village in Reedley, consisting of five residential buildings featuring 22 one-bedroom units, 14 two-bedroom units and 12 three-bedroom units.

The Guardian Village funding mix included \$6 million from HCD, \$14.7 million from UnitedHealth Group and \$2.5 million from Fresno County. The project is expected to be completed in 2024 on two acres that was previously the Reedley National Guard Armory.

In the latest grant round, Mutual Housing in Sacramento is receiving \$10 million for a 242-unit project. This housing complex on Sacramento's R Street brought in more than \$12 million in local funding and will be affordable for households making 30-70% of the area median income.

The total price tag for the Sacramento project is \$125 million.

The Excess Sites Local Government Matching Grants Program (LGMG) is available to state and local governments and selected developers.

The LGMG Program has provided nearly \$60 million in grants to match the \$46.1 million that local governments are putting forward.

Visionary Home Builders of California, Inc. received a grant of \$6 million to start construction of a 94-unit affordable development in Stockton.

The third phase of 248-unit Sugar Pine Village in South Lake Tahoe began construction after Related Companies of California, LLC, received a \$5 million grant. The goal with that project is to help the local, tourism-based workforce avoid long commutes.

The City of Truckee was awarded an SB 2 planning grant for mixed-used, pedestrian-oriented development for the Pacific Crest Commons 55-unit community. Marin County will incorporate the Oak Hill Apartments, which will offer 240 affordable homes. It represents Marin County's largest multifamily development in the last 50 years.

Montebello City Park east of Los Angeles will be expanded to create 57 units from studios to three-bedroom homes. In San Francisco, plans have been approved to develop 262 homes for low-income residents. Highlighting just how fast-tracked these projects can be, that one was completed in under a year, according to a news release.

The City of San Diego will have more than 1,000 mixed-income homes ready to be built on state excess sites. Riverside used an SB 2 planning grant to rezone a former CalFIRE property to create Mulberry Gardens, 209 homes for low-income families and seniors.

Finally, Sacramento will add 20 homes for low-income families and a childcare center for 124 affordable homes. The city also gave \$3.7 million to the project located adjacent to a SacRT light rail station.

"The Governor's Executive Order to identify and make use of state-owned, excess infill sites has allowed us to focus efforts on building affordable housing in places accessible to jobs and transit, creating a win-win-win for residents, the environment, and communities," said HCD Director Gustavo Velasquez in a press release. "HCD's Excess Sites Local Government Matching Grant Program has allowed us to foster a proactive partnership with local jurisdictions to expedite housing development on state land, filling funding gaps that can delay or derail development and leveraging local investments for maximum community benefit."