



PUBLIC LANDS PLAYBOOK



INTRODUCING THE PUBLIC LANDS PLAYBOOK

Purpose

The Public Lands Playbook is designed to guide local governments and other public agencies through the process of inventorying, prioritizing, and reusing publicly owned land. The playbook focuses on mixed income and affordable housing and includes implementation resources that can be tailored for local use.

Public Lands Reuse Initiative:

An initiative of MTC/ABAG to implement Housing Strategy #8 of Plan Bay Area 2050: accelerate reuse of public and community-owned land for mixed-income housing and essential services.

Project Objectives:

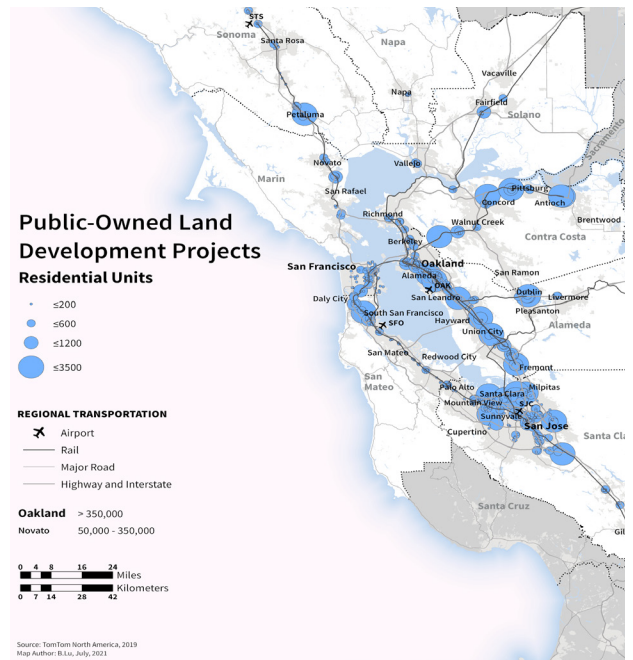
Implement Plan Bay Area Strategy H-8 – Identify actions, investments, and partnerships to establish a regional network of land owned by public agencies, community land trusts, and other non-profit landowners and coordinate its reuse as deed-restricted mixed-income affordable housing, essential services, and public spaces.

Support Bay Area local governments to inventory, prioritize, and accelerate the reuse of publicly owned land by helping jurisdictions comply with Surplus Land Act (SLA), increase the viability of key Housing Element Opportunity Sites, and implement Plan Bay Area 2050 at the local scale.

What is Public Land?

In the playbook, public land is defined as any land owned by a public entity including local, state, or federal government, as well as transit agencies, school districts, and/or other special districts (e.g., water districts). Public land can include property that is abandoned, vacant, underutilized, or declared surplus as well as property with existing public facilities.

Effective public land strategies are not limited to surplus sites (described in [Section 4](#)) or sites currently owned by local government. A city with a limited portfolio of land suitable for short-term reuse may have a great deal of public land owned by other agencies that could be transferred to the city or evaluated for redevelopment by the current owner — providing a broader set of opportunities to meet its housing and public facilities needs. It is therefore important to think strategically about the unique opportunity these sites hold for expanding affordable housing and community stewardship of this shared public resource.



Plan Bay Area 2050

[Plan Bay Area 2050](#) (PBA 2050) is the region’s long-range plan covering housing, the economy, transportation, and the environment. The Plan is driven by five guiding principles – affordable, connected, diverse, vibrant, and healthy – and comprised of 35 strategies to be implemented across the Bay Area’s nine counties. These strategies include policies and investments that can be applied at the city, county, regional, or state level over the next 30 years. The plan was jointly adopted by the ABAG Executive Board and MTC Commission in October 2021. (See the full [Plan Bay Area 2050](#) [here](#)).

PBA 2050 Strategy H-8

Of the 35 Plan Bay Area strategies, one of the most popular among members of the public and elected officials is Strategy H-8: accelerate the reuse of public and community-owned land for mixed-income housing and essential services.

In the Plan, public land reuse is critical to meeting the Bay Area’s present and future housing needs, providing space for 170,000 permanently affordable homes and local services. The Plan’s Implementation section calls on MTC and ABAG to support Bay Area local governments through technical assistance, research, prioritization of future funding, and regional coordination.





The Balboa Reservoir project will reuse a 17-acre parcel owned by the San Francisco Public Utilities Commission for 1,100 new housing units, 50% of which will be affordable, as well as 4 acres of open space and other community amenities.

Photo: SF Planning (Rendering: Reservoir Community Partners, LLC)

Context Analysis: Challenges & Solutions to Reusing Public Land

What We Did:

To better understand the Bay Area public lands context, we reviewed plans and development proposals in addition to surveying over 70 stakeholders and interviewing over 20 topic area experts and local staff members (see [Appendix 2](#)). Additionally, we conducted a comprehensive literature review and examined national and international examples of successful housing and land development models such as community land trusts, co-operative housing, social housing, land banking, public sector led development, and public private partnerships. To supplement this research, we also created an inventory of public sites in the Bay Area using data from local authorities such as transit agencies, school districts, and local governments. We presented these findings to an Advisory Panel of housing and land use experts that provided guidance on implementing this key housing strategy.

What We Found:

- Throughout the world, regions that successfully address affordable housing shortages rely upon public land to accelerate affordable housing production and create complete communities.
- Public land presents a unique opportunity to pilot and scale up promising ownership and financing models (e.g., co-operative housing, land banking), and to spur the growth of Bay Area and California industries.
- Partnership and collaboration—between different levels of government and between cities and public agencies such as school districts—are key to overcoming barriers to public land reuse.
- Regional technical assistance, funding, and leadership are critical to “connect the dots” between regionally significant sites and implementation resources, and provide public agencies with the additional capacity needed to comply with the Surplus Land Act.

GUIDANCE & RESOURCES FOR PUBLIC LAND REUSE

Taking insight from our findings, we've developed a series of technical assistance resources and tools in the following sections to help local jurisdictions complete the public land reuse process and develop a citywide public land reuse strategy. Each section outlines a different step in the process and can be viewed on its own (see links to each chapter below) or in conjunction with the other sections. The first three sections provide information and resources to situate public land in your local context. The final two offer considerations and tools to prepare for and initiate reuse.

Creating a Strategy

1: Engage the Community

Section 1 provides recommendations on how to create a participatory community engagement process throughout each step of public land reuse.

2: Inventory and Prioritize Sites

Section 2 provides direction for developing a local inventory and prioritizing publicly owned sites. We give instructions and examples of what to include in a public land inventory as well as suggested evaluation and prioritization approaches.

3: Adopt a Framework

Section 3 outlines the key ingredients to build a framework for public land reuse that enables a coordinated inter-agency approach to developing parcels. We share insights on how to form a diverse team, define roles and responsibilities, establish policy priorities and actions, and set a timeline.



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Advancing Reuse

4: Comply with the Surplus Land Act

Section 4 offers step-by-step guidance for complying with recent changes in state law to address the affordable housing shortage through the use of surplus public land. We provide information on the Surplus Land Act including the standard process of disposing surplus land and technical assistance resources from HCD and others.

5: Prepare Sites for Development

Section 5 highlights necessary actions to prepare sites for development. Topics covered include site typologies and options for reuse, site assessment, developer solicitation and selection, detailed design and permitting, and project finance.

Appendices

The Appendices include additional resources from sample site prioritization criteria to a list of financing programs.



Photo: MTC Stock Archive; Kingmond_Young_415.206.1680

Fostering active community engagement throughout the entire public land reuse process is key to producing equitable outcomes. Given that many public land sites sit within fully developed communities, it is often necessary to assess how the site will fit into the surrounding context, be consistent with local plans, and impact residents and commercial businesses. The seven phases of engagement we lay out below align with many of the steps we've outlined in this playbook for public land reuse. For each phase, we offer preliminary recommendations to create a participatory engagement process from start to finish.

Phase 1: Understand the local landscape

- Acknowledge the history of exclusion and discrimination against communities of color and economically disadvantaged communities in securing affordable housing and other essential services in all regions throughout the Bay Area.
- Develop an understanding of the local context by considering which groups will be impacted most by the project, which local organizations are trusted by the public and willing to help with engagement, and what other stakeholders to include in the conversation.
- Consider how public land reuse projects may contribute to meeting your community's housing needs and your Regional Housing Needs Allocation target (See [HCD's webpage on RHNA](#))



Educational Resources:

[Roots, Race, and Place: A History of Racially Exclusionary Housing in the San Francisco Bay Area](#); also see [Racial Segregation in the Bay Area](#) briefs

[Rising Housing Costs and Re-Segregation in the San Francisco Bay Area](#)

Phase 2: Bring the community into the conversation

- Ensure that outreach is directed to the broadest cross section of the community as possible by creating materials and spaces that are accessible to culturally and linguistically diverse audiences.



Multi-lingual Meeting Tools:

Zoom Interpretation Function Training [recording](#) and [slides](#) by Baird + Driskell Community Planning

[Multilingual Meeting Tips](#)

- Remove barriers to participation related to location, accessibility, time, transportation, childcare, literacy, language interpretation, ASL, etc. and compensate community members for their participation.
- Identify trusted and respected community partners within under-represented communities and build and sustain deep relationships with them over time.

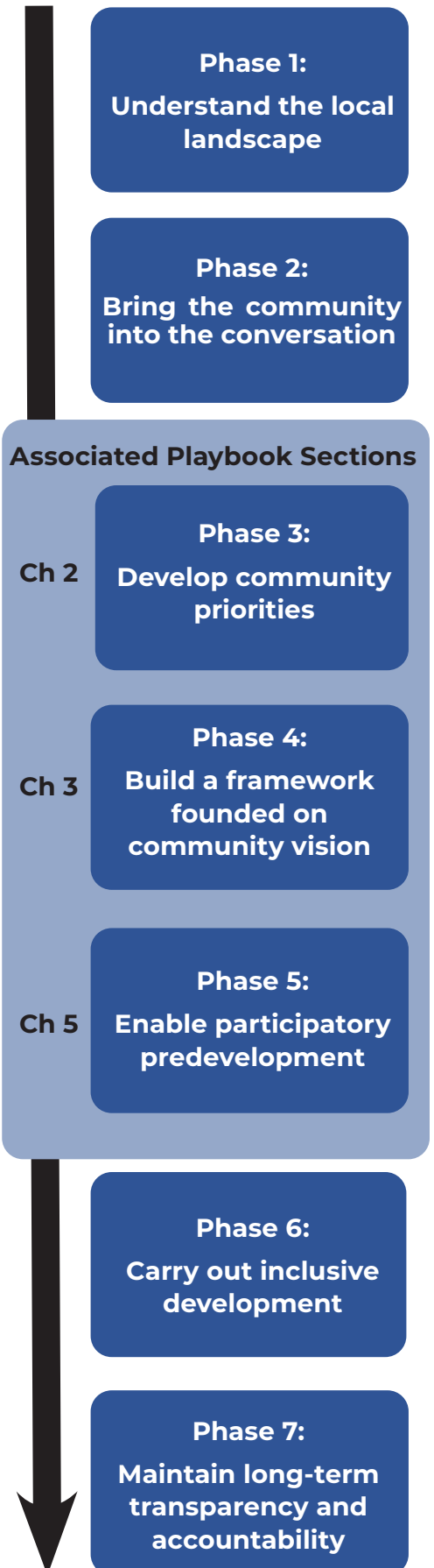


City of Oakland Department of Race and Equity's [Inclusive Public Engagement Planning Guide](#)

[Best Practices for Equitable Engagement](#)

- Design and establish engagement strategies such as dedicated organizations for community input (e.g., Community Advisory Committees) and/or consult existing CACs. For citywide strategies, or for sites without immediate neighbors or with regional significance, this input could be city or region wide.
 - Community Advisory Committees are comprised of a subset of the community that reflects its racial, socioeconomic, gender, age, and ability diversity. Its responsibilities include giving recommendations on property use and development, offering input on project proposals, and evaluating implementation.

7 Phases of Community Engagement





Case Study:

The Oakland Citywide Anti-Displacement Network, a coalition of community-based and labor organizations, has worked with the City to create a new ordinance for how Oakland sells and leases public land. Learn more [here](#) and check out their [People's Proposal](#)



Remote Community Engagement Tools:



[Engage How To! Introduction to Remote Engagement recording and slide deck](#)

[Remote Engagement Tools Needs Assessment](#)

[Scenario Planning in a Virtual World](#) by Cascadia Partners

Phase 3: Develop community priorities

- Foster transparent communication on the most important community benefits to residents and on governance, finance, transactions, and partnerships involved in public development projects.
- Through active public participation, form community priorities that will inform the inventory and prioritization process and be incorporated into any plans or development agreements, with identified funding sources. This will help avoid any disconnect between benefits identified in the specific development project proposal and those eventually received by the community.

Phase 4: Build a framework founded on a community vision

- Involve the community in the long-term visioning, design, and decision-making processes for projects on public land and make sure community priorities shape the overall policy priorities.

Phase 5: Enable participatory predevelopment

- For each development project, work with the developer to create a detailed plan of when and how you will engage community members.
- Make the leasing or selling of public lands a public process—either through a citywide process, by integrating sites into local plans (e.g., Specific or General Plans), or on a project-by-project basis.
- Devise clear eligibility requirements for potential developers/buyers and provide full information on competitive procedures.
 - See discussion of developing a Request For Proposals (RFP) to carry out a reuse project in [Section 5](#)
- Ensure development proposals are compatible with nearby developments and consistent with applicable plans to ensure site integration.

Phase 6: Carry out inclusive development

- Prioritize and incentivize plans that show a commitment to affordable housing development that can support a broader range of community members.
- Build local hire programs that bring job opportunities to disadvantaged communities.
- Promote interim use of public land sites that provides amenities to the community (e.g., haven for homeless encampments)
 - Because the interim use (e.g., a community garden) often becomes a community asset, it is important to consider early on how to transition or integrate the interim use into the permanent redevelopment project.
- Maximize site potential by exploring options for co-location of community services and facilities.
- Give local businesses and services first-right-of-refusal to rent commercial space at or below market rate.
- Communicate with the community about possible impacts from construction.

Phase 7: Maintain long-term transparency and accountability

- Develop accountability mechanisms and information sharing practices including regular monitoring and evaluation via semi-annual or annual reports.
- Evaluate who you have (and have not) engaged in the community and adjust your approach if key groups or under-represented community members have been left out.
- Strengthen long-term trust among community members by demonstrating how their feedback was incorporated into the final plan or project.

Case Study:



In 2010, San Francisco adopted a local hiring policy for construction that promotes the utilization of local residents on locally sponsored projects. Their [webpage](#) provides exemplary materials for developing a local hire program including their ordinance, sample bid documents, etc.



The Coliseum Place development under construction at the Coliseum BART station in Oakland. When completed, the building will provide 59 apartments of affordable housing.

Photo: Jane Tyska/Bay Area News Group

Case Study:



For BART's Silicon Valley Phase II Extension Project, it increased visibility and access during construction through a Construction, Education, and Outreach Plan involving general outreach, stakeholder engagement, business resources, placemaking/activation, and associated projects. More details in the [full plan](#) or [summary slides \(24-34\)](#).



Inventorying Sites

Inventorying the public land within your community is foundational to completing every other step of the reuse process. By obtaining a better understanding of the location, development potential, and constraints (e.g., size) of existing sites, you can make more informed decisions about how to utilize sites efficiently.

Creating an inventory can be done city-, region-, or agency-wide using a variety of datasets available online. This typically involves developing a parcel database and creating GIS and online maps to represent key characteristics of the sites. Although it may take time to build a comprehensive inventory, doing so will enable you to evaluate whether a proposed project will meet the needs of the surrounding community and determine how each project could contribute to addressing your housing needs.

What to Include in the Inventory

If you are a City or County, take into account both city- and county-owned land as well as sites owned by other public entities like the federal government, state, or transit agencies. A holistic approach that maximizes community benefits will account for sites such as vacant school district property and transit station parking lots. Some of these sites will be ripe for reuse while others may be years away. Review the capital improvement plans of your jurisdiction and other major public landowners in your jurisdiction to gain insight into anticipated future uses, opportunities to support needed capital improvements through reuse projects, and sites that will become vacant in the future.

At a minimum, gather the following information for each site in the inventory:

- Street address
- Assessor's parcel number

- Existing use(s)
- Whether site is surplus/exempt surplus land
- Acres

Including these facts in your inventory will ensure that you have the information you need to report one or more surplus sites to the state. If available, additional factors to build into your inventory include:

- Agency or division that owns and uses land
- Square feet and age of building(s)
- Square feet of parking lot(s)
- Infrastructure provision (e.g., sewer, water, broadband)
- If leased, year lease expires
- Site topography
- Surrounding land uses
- Regulations affecting the site including state and federal land use restrictions

To ensure that you have captured all possible sites, you may wish to check your inventory against other established inventories of properties on the local, regional, or state level.

Prioritizing Sites

Once you have inventoried all publicly owned properties in your jurisdiction, it is next crucial to prioritize a set of sites that appear promising based on an initial analysis of opportunities and constraints. This starts by creating parameters to rank sites based on a community priority-setting process. A more detailed assessment of individual parcels can later be completed during the predevelopment phase (see [Section 5](#) for more details).

HCD and DGS
Inventory of Excess
State Property



Surplus Land Inventory Resources:



Each year, cities and counties are required to report surplus sites to HCD by April 1st as a part of their annual progress reports. HCD's surplus lands inventory form and instructions can be found [here](#).

You can also learn more about state requirements by taking a look at [SB 6](#) (adds Sections 11011.8 and 65583.3 to the Government Code) and [AB 1255](#) (amends Section 54230 of the Government Code), which discuss how HCD will work with DGS to create an inventory and map of surplus sites suitable for residential development.



Case Study:



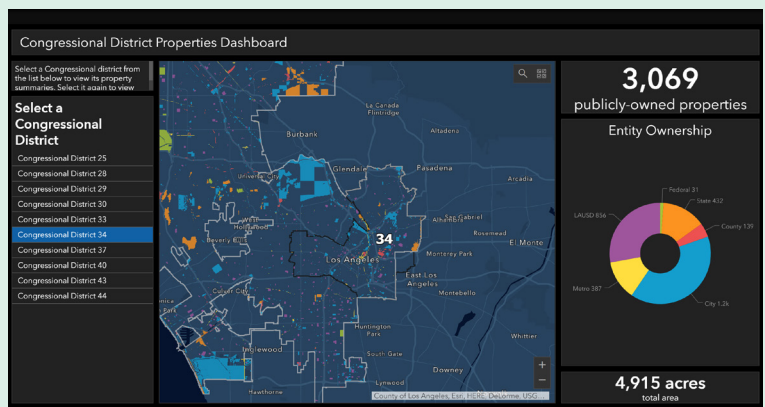
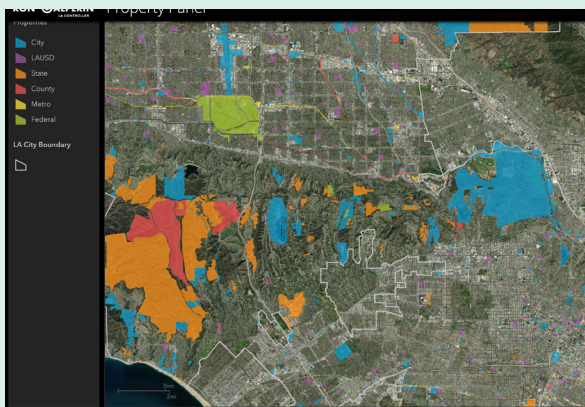
The [Land Access for Neighborhood Development \(LAND\) Tool](#) created by the University of Miami is a mapping tool that depicts local institutional, government-owned, and surplus sites in Miami Dade County. The tool also offers a calculator to model land acquisition scenarios.



Feature Box: Inventorying Sites in Los Angeles

The Los Angeles Controller, Ron Galperin, and his team have created the City’s first centralized database of its nearly 14,000 publicly owned properties. The interactive map and website show parcels owned by six public agencies: city, county, state, federal, Metro, and LAUSD. Users can filter properties by council district/neighborhood council district and by county, state, and federal representative districts.

See the [map](#) and [inventory](#) to learn more.



Community Engagement Pro-Tip:

When developing parameters, be sure to consider the concerns and priorities of the community to avoid fueling mistrust and to address local needs. Include the people who will be closely affected by the development and remember to examine how the site will integrate into the surrounding context and be consistent with applicable plans (e.g., Specific and General Plans).

To meet community and regional housing needs, it will be important to focus on sites that can support a greater number of affordable housing units and the deepest levels of affordability.

Sample Indicators to Prioritize Sites

Below are suggested categories for prioritizing sites; the level of emphasis placed on each should reflect community input:

- Affordable housing feasibility and capacity (e.g., parcel size, vacancy status, infrastructure provision)
- Access to transit (e.g., distance from a major transit stop)
- Access to opportunity / services (e.g., school quality, distance to a grocery store)
- Natural hazard risk (e.g., flood, fire, sea level rise, earthquake risk)
- Toxic substance and air quality exposure (e.g., CalEnviroScreen score)

Datasets for Indicators



For more details on dataset(s) that could be used for each parameter, see [Appendix 3](#).

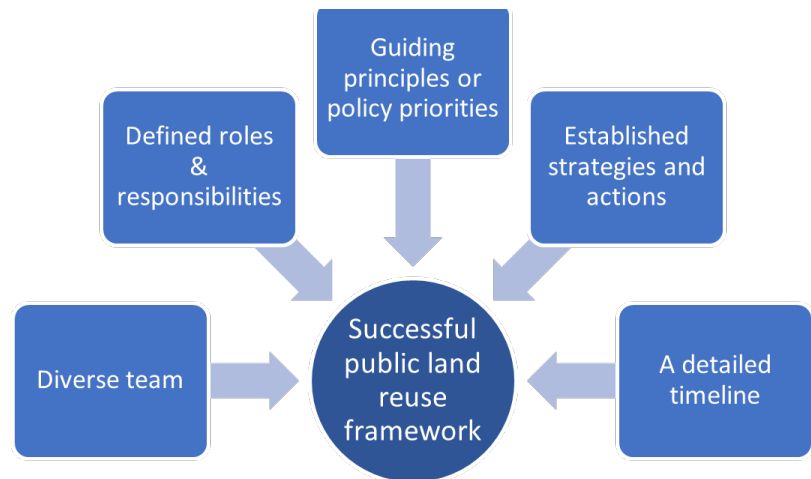
Also check out HCD’s [excess site screening criteria](#) for more ideas.



An adopted framework for public land reuse can help coordinate the reuse of public parcels so that they most productively deliver public benefits and support public services. It will also allow you to take the individual sites you've identified and incorporate them into the bigger picture of the public land reuse process.

A successful framework requires each of the following key components, which we discuss further below:

- A diverse team
- Defined roles and responsibilities
- Guiding principles or policy priorities
- Established strategies and actions
- A timeline for applying the framework to site planning and development



Form a diverse team

Building a team with a range of expertise can be achieved by including staff from different departments, agencies, levels of government, or professional sectors. By fostering cross-coordination and collaboration, you can streamline the development process, gain access to different networks of stakeholders and possible partners, and increase project viability.

Define roles and responsibilities

For a team comprised of disparate groups to function efficiently and avoid duplication of work, it is typically necessary to clearly define the roles and responsibilities of each member and create a specified chain of command for decision-making. Some of the typical assignments for a team undertaking this process include: conducting opportunity and constraints analyses and an assessment of affordable housing feasibility, managing site planning, coordinating public engagement for each site, and reviewing proposed rezoning, development entitlements, etc. for each site. One agency should also be designated as the lead in establishing “table setting” plans and providing direction and consistent leadership. Beyond specific responsibilities, all team members should contribute to the development and refinement of the framework scope and policy priorities as well as the general strategies for public benefit delivery and community engagement.

Draft guiding principles or policy priorities

As a team, it will also be important to draft mutually agreed upon principles or policy priorities informed by community input that will guide site development and further implementation of the framework. These principles should balance the needs of the land-owning agency with those of the community. This often requires identifying opportunities to leverage reuse to deliver core public services and infrastructure, taking into account ongoing operating costs.

In crafting each principle, it may be helpful to first determine an overarching value or goal and then later to formulate specific implementation actions to achieve that goal. The goals and actions you develop can draw from existing policy such as your General Plan, Consolidated Plan, local surplus or public land ordinances, and/or any relevant policies related to transit, real estate, or affordable housing.

Case study:



One successful case study of developing an inter-agency team to undertake public site development is the City of San Francisco’s working group composed of SF Planning, the SF Municipal Transportation Agency, the Office of Economic and Workforce Development, the Mayor’s Office, the Recreation and Parks Department, the Mayor’s Office of Housing and Community Development, the Department of Public Health, and the Real Estate Division. Learn more [here](#).



Photo: MTC Photo Library; Rawpixel

Community Engagement Pro-Tip:

Seek out community input while setting policy priorities and especially when devising any priorities focused specifically on community engagement or public benefits. This input should not only shape the development of the draft framework but also help to iteratively refine it.

Example for Drafting Policy Priorities

Oakland's public lands policy proposal provides a great model for discussing policy priorities and the actions to achieve them, one of which we've included as an example.

Policy Goal	Proposed Actions	Comparison to Status Quo
Transparency	<ol style="list-style-type: none"> 1. Staff will publicly post all unsolicited requests 2. Staff will collect the input of the most impacted communities of each project prior to any RFP 3. Staff to send letter notification to all tenants within a four block-radius 60 days prior to ENA vote 4. Staff will post City property data online 5. Annual Staff reports to Committee and full City Council meetings, with an analysis of the site-based and portfolio-wide progress on equity metrics 	Currently, the current lack of notification and accessible information on public lands disposition leads to an inefficient process. Increasing transparency through open data and opportunity for community input through notification will prevent the inefficiencies that are incurred with public outcry over the lack of proper notification and information on project proposals, which has historically caused costly delays.

Find more information [here](#)



Establish strategies and actions

Once you have higher level policy priorities that reflect your vision for public land reuse, it is next necessary to outline the more detailed elements of the framework that codify your inter-agency team's approach to public land and make clear the specific actions required to accomplish the established policy priorities. The proposed actions should be measurable and time-bound and improve upon the current systems in place.

Create a timeline

A timeline for applying the framework to site planning and development will keep you on track to meet your policy priorities and state law requirements. Keep in mind that public land projects can take longer because of the inter-agency coordination and communication required. Therefore, set realistic and achievable deadlines, leaving sufficient time for long-term community participation (e.g., stakeholder listening sessions, site-specific community meetings) and tasks involving action by a governing body (e.g., approval by City Council).



Photo: MTC Photo Library; Karl Nielsen

Guiding Resource:

[Public Lands Framework from Oakland](#)



Feature Box: Site Ownership

To sell, lease, or swap?

A key consideration in the land reuse process is long-term ownership from acquiring new sites or leasing existing ones. Many public agencies¹ are tempted to sell land when it stops serving an operational purpose. Selling provides an immediate financial return and removes ongoing management requirements and risks. Although it is possible to require buyers to maintain existing affordable housing, or to build new affordable housing, these requirements lower the potential sales price without assuring long-term affordability. Thus, while there may be some circumstances that render a sale the most strategic use of a site, agencies should carefully consider alternatives.

Long-term public land ownership offers a variety of benefits to consider:

- **Facilitating affordable housing** by providing a deeply discounted, or minimal ground lease (e.g. \$1/year) to a developer in exchange for an agreement to build a residential or mixed-use project with a residential component that is 100% or predominantly affordable. By dramatically reducing or effectively eliminating land acquisition costs, this approach makes otherwise infeasible projects feasible.

- **Long-term financial benefits** through permanent affordability and, in some cases, ongoing revenue streams derived from [ground leases](#) and rents from non-residential tenants. For sites with viable land uses, lessees could include a property management company and renters (residential and/or commercial). For sites eyed for reuse, a ground lease would typically be made with a developer that takes on the responsibility for constructing improvements and managing residential or commercial property (often in partnership with other developers and tenants) and reaps the profits, with some level of profit sharing with local governments in many cases.
- **Meeting community needs** beyond housing by requiring or raising revenue for community amenities such as parks and libraries via a deeply discounted ground lease. (The range of feasible amenities will depend on the site's size and context, as well as the level of expected public subsidy.)

Community Engagement Pro-Tip:

Remember to make the leasing or selling of your public land a public process—either through a citywide process, by integrating sites into Specific or General Plans, or on a project-by-project basis.

Another option to consider is a parcel **exchange, or “swap.”** In some cases, sites

¹ Additional considerations may apply for enterprise agencies such as public utilities.

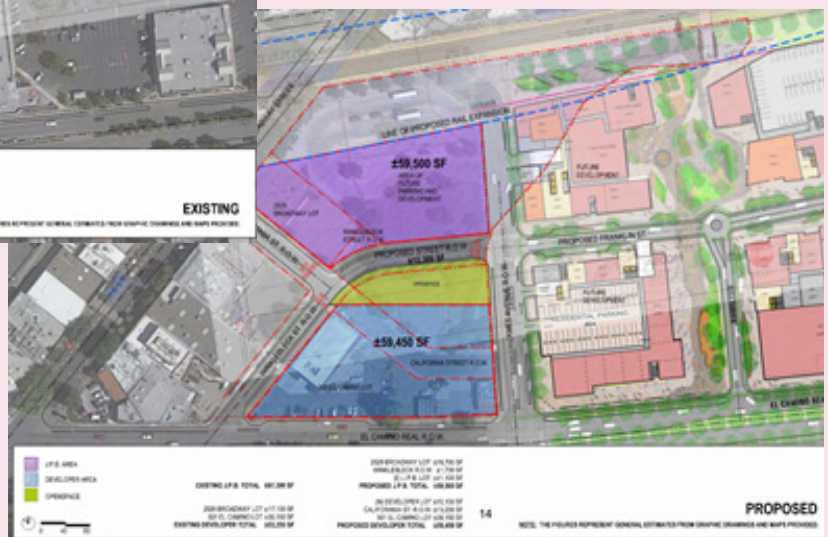
that cannot initially accommodate a desired land use may be able to do so through acquisition of adjacent parcels or through a “swap” or transfer of land. If there are any sites owned by other public entities (e.g., the state, transit agencies, etc.), it may be worthwhile to coordinate with them to transfer land and/or aggregate parcels.

Doing so may provide benefits to both parties such as the formation of more regularly shaped sites or larger site areas that make affordable housing development more economically feasible. These kinds of transfers are especially valuable for small cities given the small size and disaggregated nature of many of their publicly owned sites.

It is best practice is to codify your approach to land ownership in your overall public land framework.

Case Study:

One example of a land swap is Redwood City’s proposed three-way transfer between Caltrain and the Minkoff Group. In this swap, the City would vacate part of California Street (to Minkoff) and replace its function with a future Franklin Street from the Sequoia Station redevelopment in order to make a more efficient street grid. The Minkoff Group and Caltrain would also swap land so that each of their parcels would be less irregularly shaped and higher opportunity areas.





Before advancing the reuse of individual sites, you should be aware of recent changes to California law that have set new requirements for identifying, reporting on, and disposing of surplus public land.

What is surplus land?

Surplus land is defined in state law as "land owned in fee simple for which a local agency's governing body takes formal action at a regular public meeting declaring land to be surplus and not necessary for a local agency's use."



The Concord Naval Weapons Station is a surplus site of 2,300 acres that is targeted for 13,000 housing units.

Photo: Creative Commons; Daniel Schwen

Complying with the Surplus Land Act

In 2019, Governor Gavin Newsom signed amendments to the Surplus Land Act to promote affordable housing development on unused or underutilized public land. The amendments clarify and strengthen reporting and enforcement provisions of the Surplus Land Act by requiring the following steps:

1. Declare the land surplus or exempt surplus (required for the sale or lease of public sites)
2. Provide notice of availability of the surplus land to the following groups for 60 days:
 - The California Department of Housing and Community Development (HCD)

- Any local public entity (e.g., city, special district, tributes, etc.) within the jurisdiction where the surplus local land is located.
 - Developers who have notified HCD of their interest in developing affordable housing on surplus local land. View the list [here](#)
3. Undergo a 90-day good faith negotiation period with any responding entities, giving first priority to entities that agree to use the site for affordable housing and propose developments with an affordability covenant requiring at least 25% of the units to be restricted to lower income households¹ with an affordable housing cost² or rent.³
 - If not able to reach an agreement or no offer is received, the land can be sold to another entity, with a 15% affordability covenant attached to the land.
 4. Once negotiations are complete but before price and/or terms are finalized, submit to HCD for approval using [this form](#)
 - HCD has 30 days to make findings
 5. Address HCD findings within 60 days
 6. Sell or lease the land and record an affordability covenant against the property regardless of who purchases the land. (Draft covenant language can be found [here](#).)
 7. Keep in mind penalties for:
 - non-compliance with noticing (requires re-noticing)
 - improper disposition: city or agency is charged 30% of land cost for 1st violation, 50% of land cost for 2nd violation

In addition to creating this roadmap for selling or leasing public land, the revised Surplus Land Act established a requirement that local governments submit a central inventory of all surplus land each year as part of their Annual Progress Report to HCD. More information [here](#).

See the full text of the Surplus Land Act [here](#).



Developing resolutions & filing exemptions

Example Resolutions for declaring land surplus

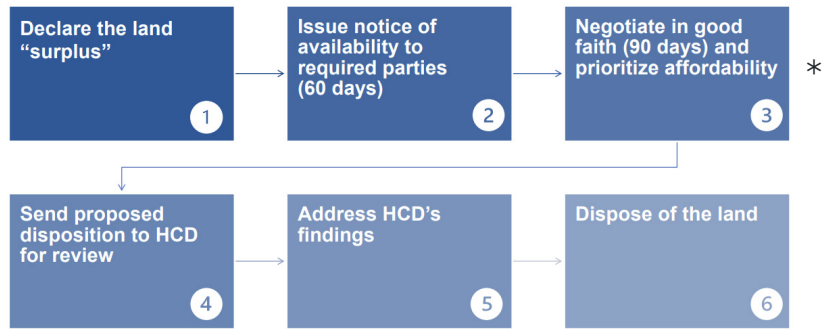
- [City of Oakland](#)

Example Notice of exemption

- [City of Pittsburgh](#)



Detailed Flowchart of process for complying with the Surplus Land Act.



Source: HCD's Implementation of the Surplus Land Act



HCD Support:

publiclands@hcd.ca.gov

(Inbox is staffed weekly)

Importantly, following these steps of the standard process is the minimum requirement for complying with the Surplus Land Act and may therefore differ from a community-oriented selling or leasing process. Jurisdictions can exceed mere compliance with State law by pursuing more and/or deeper affordability than the minimum and by cataloguing underutilized public parcels that do not qualify as “surplus” but affirmatively further fair housing.

* You must prioritize entities who propose developments with at least 25% of the units affordable. If you cannot reach an agreement or receive no offer, the land can be sold to another entity, with a 15% affordability covenant attached to the land.

HCD Resources:

- HCD’s [Surplus Land Act Technical Assistance Materials](#) including:
 - Sample Notice of Availability Cover Letter and Notice of Availability Property Description
 - Description of Disposition Template
 - Sample Covenant/Deed Restriction forms
 - List of Developers Interested in Surplus Property
 - List of Notice of Availability Received
 - Compliance Self Assessment
- [What Local Agencies Need to Know Presentation](#)
- [HCD's Implementation of the Surplus Land Act](#)
- [Guide to Exemptions from the Standard Process](#)
- [Surplus Land Act FAQs](#)
- [Housing and Land Use Open Data Tools](#), which includes a map of notices of available locally-owned surplus land

Other recent or proposed legislation that may impact public land reuse:

- [SB 791](#) (signed into law): Establishes a Surplus Land Unit within HCD to provide technical assistance to local agencies with surplus land and housing developers seeking to develop surplus sites⁴
- [SB 6](#) and [AB 1255](#) (signed into law): Discusses how HCD will work with DGS to create an inventory and map of surplus sites suitable for residential development.⁵
- [AB 2357](#) (pending): Would require HCD to maintain a website of all entities interested in surplus land for affordable housing; additional related provisions⁶
- [SB 1373](#) (pending): Would extend the date for disposition of surplus property to December 31, 2024 if the property is located in a local agency with a population of over 2,000,000 and the agency has either an option agreement to purchase the property from the former RDA, or an ENA with a private entity to develop the property for economic development or housing⁷
- [AB 2295](#) (pending): Would deem a housing development project an allowable use on any real property owned by a local educational agency (i.e., school district or county office of education) if the housing development satisfies certain conditions⁸
- [AB 2053](#) (pending): Would enact the Social Housing Act and would create the California Housing Authority to produce/acquire social housing developments and prioritize the development of vacant parcels and parcels near transit⁹

Endnotes

- ¹ "lower income households" as defined in [Section 50079.5 of the Health and Safety Code](#) means persons and families whose income does not exceed the qualifying limits for lower income families as established and amended from time to time pursuant to [Section 8 of the United States Housing Act of 1937](#). The limits shall be published by the department in the California Code of Regulations as soon as possible after adoption by the Secretary of Housing and Urban Development. In the event the federal standards are discontinued, the department shall, by regulation, establish income limits for lower income households for all geographic areas of the state at 80 percent of area median income, adjusted for family size and revised annually.
- ² "affordable housing cost" as defined in [Section 50052.5 of the Health and Safety Code](#) (see statute for more details)
- ³ "affordable rent" as defined in [Section 50053 of the Health and Safety Code](#) (see statute for more details)
- ⁴ SB 791 is an act to add Part 17 (commencing with Section 54900) to Division 31 of the Health and Safety Code, relating to land use.
- ⁵ SB 6 is an act to add Sections 11011.8 and 65583.3 to the Government Code, relating to residential development. AB 1255 is an act to amend Section 54230 of the Government Code, relating to local government.
- ⁶ AB 2357 is an act to amend Sections 54221, 54222, 54222.5, 54223, 54224, 54225, 54227, and 54230.5 of, and to add Section 54221.5 to, the Government Code, relating to local government.
- ⁷ SB 1373 is an act to amend Section 54234 of the Government Code, relating to land use, and declaring the urgency thereof, to take effect immediately.
- ⁸ AB 2295 is an act to add and repeal Section 65914.7 of the Government Code, relating to housing.
- ⁹ AB 2053 is an act to add Title 6.9 (commencing with Section 64660) to the Government Code, relating to housing.



Section 5 highlights necessary actions to prepare sites for development. Topics covered include site typologies and options for reuse, site assessment, developer solicitation and selection, detailed design and permitting, and project finance.

Determine the Range of Options:

Consider Size and Context

Once a site has been prioritized through a community engagement process (see [Section 1](#)) and analysis of publicly owned land in your jurisdiction (see [Section 2](#)), the next step is evaluating its suitability for a variety of potential uses. One proven approach is identifying a site's "type" and context to guide detailed planning and eventual reuse.

Size:

- **Extra Small** sites less than 10,000 square feet can accommodate a residential building of 5-30 units, and in some cases, ground floor retail and local services, depending upon shape and context. Smaller sites that are irregularly shaped—such as triangle-shaped parcels—are often ideal for community gardens and pocket parks in neighborhoods in need of green space.
- **Small** sites between 10,000 square feet and one acre (roughly 45,000 square feet) are well suited for 10 to 100-plus homes in a single building or in multiple attached buildings. In the right context, these sites can also support ground floor community or retail uses as part of a mixed-use residential building.
- **Medium** sites between 1 acre and 5 acres, or up to a full city block, can accommodate a variety of forms of development. This can include a mix of housing, community facilities, a small public space such as a pocket park, and—if adequate consumer demand exists—local

retail services. In addition to benefiting residents, combining homes, community facilities, and other activities can increase the feasibility of a project if accompanied by a long-term lease to a tenant such as a daycare, clinic, or shop.

- **Large** sites between 5 and 20 acres, or about 1-5 city blocks, introduce additional opportunities and needs. If well-designed, large sites can become part of a community's physical and social fabric, adding public spaces, housing affordable to families of all incomes, and improved public services for the surrounding neighborhood or city. To make these sites inclusive and resilient it is important to integrate pedestrian and bicycle-friendly streets and paths that are designed to address climate change, welcome people of all abilities and backgrounds into the site, and create easy connections to surrounding public transit.
- **Extra Large** sites greater than 20 acres can become entirely new neighborhoods that play a leading role in meeting the Bay Area's housing needs. These sites require thoughtful, comprehensive planning that includes all the elements of a complete community and a diversity of housing types and affordability levels.

The graphic on the following page provides a menu of typologies for public land reuse. These types are organized by size, with relative suitability for various uses further defined by context.



Fair Oaks Plaza in Sunnyvale, CA is an apartment community for seniors conveniently located nearby many community services.

Photo: Frank Domin; MidPen Housing



Photo: MTC Photo Library; Joey Kotfica

Size

XS <10,000 Ft²



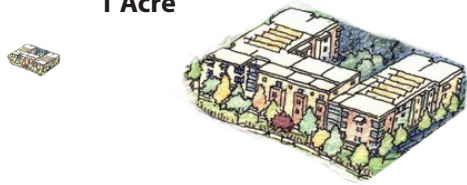
Potential Reuse Options

- Small residential building; *and*
- Community facility
- Neighborhood retail *or*
- Pocket park
- Community garden

Top Considerations

- Site shape
- Adjacent land use and scale

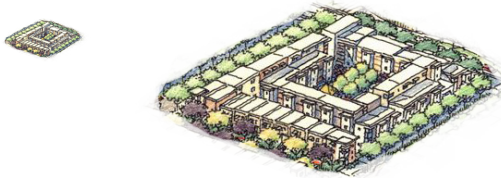
S 10,000 Ft²-1 Acre



- Residential building(s); *and*
- Community facility
- Neighborhood retail

- Site shape
- Adjacent land use and scale
- Neighborhood service needs
- Demand for neighborhood retail

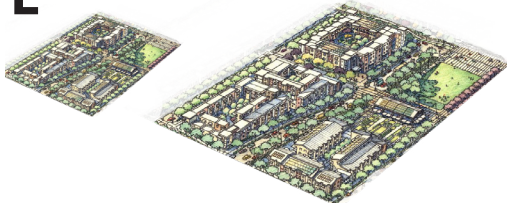
M 1-5 Acres



- Residential building(s); *and*
- Community facility
- Neighborhood retail
- Paseos/trails

- Site shape
- Neighborhood/city service needs
- Demand for neighborhood retail

L 5-20 Acres



- Addition to neighborhood *with*
- Multiple residential buildings
- Park
- Streets
- Community facilities

- Neighborhood/city service needs
- Demand for neighborhood/city retail and office
- Local circulation network

XL >20 Acres



- Mixed-use neighborhood *with*
- Residential buildings
- Parks
- Streets/trails
- Community facilities (e.g., libraries, schools, etc.)
- Retail & Office

- Neighborhood/city/regional service needs
- Demand for city/regional retail and office
- Local circulation network
- Connections to circulation network

Source for all images: City of San Francisco

All Sizes

- Community needs
- Transportation
- Resilience
- History

Consider Context:

- **Community Needs:** Identifying any basic services that are missing in a community, from grocery stores to parks to health clinics, as well as the cultural makeup of the community, can help inform site design and non-residential uses.
- **Transportation:** Sites within walking distance of public transit are well-suited for higher density, mixed-use development. Small to medium sized sites with very limited access may not be suitable for housing and better utilized as parks or neighborhood-serving public facilities. In some cases, extra-large sites without major environmental constraints may warrant new transit service.
- **Resilience:** Evaluating environmental constraints—including exposure to natural hazards and potential contamination—is an important first step in determining the appropriate uses and potential adaptation and mitigation measures that can be built into the project's design.
- **History:** Nearly all sites are endowed with meaning for community members, particularly communities with inter-generational ties to the site or its surrounding neighborhood. In communities that have experienced race-based disinvestment or disposition (e.g., redlining, institutional racism), reuse projects are opportunities to begin to redress these historic harms.
- **Current use:** While many sites are occupied by an existing business or public facility, others are used informally by community members for recreation, gathering, or housing. In these cases, it is important to consider how the needs that the site is currently meeting could be integrated into the design for its reuse.



Source for all photos: MTC Photo Library



Photo: Arlington County Virginia

Community Engagement Pro-Tip:

You can maximize site potential by exploring options for co-location of community services and facilities.

Case study:

At the [Arlington Mill Community Center and Residences](#) in Arlington, Virginia, an affordable housing complex and a community center are co-located on public land. The project saved \$9 million by sharing infrastructure costs and was able to receive Low Income Housing Tax Credits for the affordable housing development.



Case study:

Many jurisdictions have the potential to develop affordable housing on excess or underutilized public school property to meet the needs of their local education workforce.

Explore the Education Workforce Housing in California [report](#) and [handbook](#)



Community Needs and Market Analysis

To begin refining desired uses for the site, evaluate if there are any basic services needed by the community in which the site is located, such as a clinic, childcare, senior center, or grocer.

It is also worth contacting city and county departments to find out if any are seeking space for public facilities that could potentially be provided on the site, and if they are able to enter a long-term lease for floorspace.

Some jurisdictions commission a market study to evaluate potential demand for retail and office space, as well as market-rate and affordable homes. These studies can be valuable in understanding the likelihood of different types of commercial floorspace attracting tenants, and the potential rent for this space. Similarly, for mixed-income residential projects, these studies can provide a range of likely rental or sales prices for market-rate and affordable homes. However, the value of market studies may be limited by fluctuations in the real estate market. An alternative to a full market study are publicly available quarterly market reports highlighting vacancy rates and rents by sector and sub-region.

Buildout Analysis

Once the range of an initial list of potential uses is identified, and market factors and community needs have been accounted for, it is possible to analyze in greater detail the number of homes or amount of building floorspace and other amenities that the site can accommodate. The building blocks for completing this analysis include:

- A detailed site map that includes features such as topography, infrastructure (above ground and, if known, underground), existing buildings, sidewalks and public rights-of-way (both on-site and adjacent), and any key natural features such as waterways.

- A map of the immediate area around the site that includes destinations such as schools, commercial buildings, clinics, and public transit stops.
- Prototypical building types for potential land uses. For example, if homes and a library are envisioned for the site, several prototypical residential and mixed-use buildings using different construction methods and with different sizes could be tested on the site, along with a stand-alone library building if one is not feasible on the ground floor of the residential building.
- Prototypical public spaces (at a variety of scales), and rights of way. (Rights of way are particularly relevant for larger sites, but in some cases are part of a small site reuse project as well).
- Current zoning and land use designations in the General Plan and any applicable Specific or Area Plans.

With this information, you can complete “back of the envelope” scenarios for the potential capacity for homes, non-residential building space, and public spaces, as well as any additional infrastructure needs.

Conduct Detailed Due Diligence:

An initial assessment of sites can occur during the site prioritization process. Before pursuing sites for reuse, a more detailed assessment of any environmental hazards, title issues, and other potential constraints may also be necessary.

Environmental Site Assessment

The first step in environmental due diligence is to determine whether a site is environmentally contaminated by completing a Phase I Environmental Site Assessment (ESA), if one has not already been completed. This assessment investigates whether any current or historical uses of the site may have



Photo: Building Innovations Database

Community Engagement Pro-Tip:

Consider possible interim uses for the public land site that can provide amenities to the community (e.g., Haven for homeless encampments) before construction begins.

Because the interim use (e.g., a community garden) often becomes a community asset, it is important to determine early on how to transition or integrate the interim use into the permanent redevelopment project.

Case study:



Seattle has a ‘[Transitional Encampment as an Interim Use](#)’ policy that allows transitional homeless encampments on City-owned land. See an example of one site [here](#)



Downtown University Ave, Palo Alto CA

Photo: MTC Photo Library; Martin Klimek

Example ESA



- [City of Palo Alto](#)

(See [Appendix 4](#) for information on funding for brownfield redevelopment)

Pro-Tip

A Phase I ESA can be done for adjacent parcels, even if privately owned, and do not require consent of the owner. This can help identify potential risks from neighboring parcels, as well as evaluating reuse obstacles if those parcels are acquired. A Phase II ESA, if necessary, typically requires access to a property to collect soil samples.

contaminated the soil or groundwater in ways that harm the environment and/or human health. If contamination is found at the site, a Phase II ESA is advisable before pursuing reuse. If little or no contamination is found in the Phase I ESA, projects can usually move forward with development.

Required Environmental Analysis

Depending upon the level of California Environmental Quality Act (CEQA) review previously completed for the area in which a site is located, some amount of additional CEQA analysis may be required as part of its redevelopment. Completing this analysis, or at least understanding its scope, is an important step prior to issuing a RFP.

For sites in an area with an adopted Specific Plan, a programmatic Environmental Impact Report (EIR) can typically be used to exempt a project from additional analysis, although the project will need to integrate any relevant mitigations identified in that EIR. In these cases, the availability of an exemption will significantly reduce development costs, timeline, and risk—making the site more attractive to potential developers.

For sites that were not previously identified for development in a Specific Plan or General Plan and require a rezoning, an Environmental Impact Report (EIR) may be required, depending upon its location. Although a city may wish to place the burden for completing CEQA work on a developer, conducting any necessary analysis prior to issuing a RFP is likely to increase the likelihood that a project consistent with the community's vision will be completed.

Title Review

In some cases, a site that appears to be owned by a single entity may be “encumbered” with development rights, easements, or overlapping ownership claims that need to be resolved to facilitate its reuse. For example, the California Department of Transportation (Caltrans)

has easements through many sites that allow it to build a right of way at some point in the future. A title search will reveal if any ownership issues or easements exist. If there are indeed issues, a jurisdiction should engage the parties with encumbrances or ownership claims. In many cases, it is possible to gain full control of the site without any payment, such as instances in which a public agency has continuously used the property for a known use. In others, it may be necessary to negotiate.

Developer Solicitation and Selection

With a better understanding of your site, you will be ready to run a competitive process to select a site developer. To initiate this process, you will need to craft an RFP that effectively enables you to find a developer and/or tenant that is a good fit with the goals of the project and has the necessary expertise to respond to the unique opportunity at hand.

An effective RFP should include the following parts:

- Overview of the submittal process and requirements including a timeline (with deadlines), point of contact for inquiries, and formatting guidelines
- Goals/priorities or principles, as well as existing site conditions, environmental constraints, and any applicable land use policies
- Request for developers to submit a development program (e.g. number of homes, affordability levels, commercial floorspace, public amenities, infrastructure) and conceptual site plan.
- Request for developers to provide a financing plan, typically including the proposed financial terms for a ground lease, a pro forma, analysis of market conditions, a description of any partnership structure (e.g., if using a limited liability company), etc.
- Request for developers to share details on their approach to community engagement including what stakeholders and community members to



Lake Merritt, Oakland, CA

Photo: Creative Commons; Melinda Young Stuart

Example RFP



- [BART RFP for Transit-Oriented Development at Lake Merritt Station](#)
- [State of California RFP for Affordable Housing Development](#)

Community Engagement Pro-Tip:



Devise clear rules about eligibility requirements for potential developers and provide full information to them and the general public on competitive procedures.

Example



For the City of El Cerrito, avoiding stringent requirements in its RFQ helped contribute to a high level of affordable housing on its Mayfair site, see more [here](#)



Example



The Santa Clara Valley Transportation Authority has a proposal scoring benefit stipulated in its [TOD Affordable Housing Policy](#) (see p. 13) for those who include affordable housing developers on their team and/or include a greater proportion of affordable housing units, deeper affordability, or more family sized units in their submittal.

Example ENA



[City of Alameda and Alameda Point Partners](#)

involve, what community issues to focus on, and how these efforts will be performed throughout the entirety of the project

- Explanation of the evaluation process and criteria (with your scoring rubric if available)

To create an RFP that attracts the most interest, it is important to keep in mind possible pitfalls that may deter developers from submitting a response. For example, focusing on an affordability target while reducing the level of required financial disclosure and avoiding overly prescriptive design/infrastructure requirements can increase the volume of applicants.

In the case that your City receives a lot of interest, sites or plans that most productively enable affordable housing development should be more strongly considered. One way to encourage commitment to this goal is to provide incentives in your scoring criteria for those who mostly strongly prioritize affordable housing development.

Detailed Design and Permitting

After a developer has been chosen for the reuse project, the next step will be to complete detailed design and permitting to set the stage for construction of the proposed development.

Overview of the Design and Permitting Process:

- Enter into an Exclusive Negotiating Agreement (ENA) that confers development rights to the property.
 - This agreement should describe both the City or agency and developer's responsibilities to negotiate and execute the various agreements for the project. These may include a lease option agreement, ground lease(s), maintenance agreement(s), construction agreement(s), etc.
- Collaborate with developer to create a community engagement plan for the site.

- Identify design and infrastructure parameters for the developer.¹ Some parameters to consider are:
 - Depth of affordability
 - Density requirements
 - Co-located facilities or services (e.g., community garden)
 - Square footage of community or commercial space
 - Mobility (transit, parking, on- and off-street pedestrian and bicycle routes)
- Review the initial development vision to make sure it aligns with the project goals and community priorities. Support the developer in securing entitlements and funding for the project.
 - See below (and [Appendix 4](#)) for information on predevelopment and affordable housing grants.
- Review design materials at all stages of the design and permitting process.
- Work with the developer on a construction phasing plan.
- Coordinate with city building on construction oversight and public safety needs.

Financing Development

The financial resources you have available and the funding each particular site qualifies for will determine when and how to move forward with redevelopment. A variety of funding programs are available for site preparation and predevelopment including financing to assess and clean up abandoned or underutilized properties (see [Appendix 4](#)).

¹ For larger sites that will require new community uses or zoning changes, it is valuable to run a community design process to create and/or adopt a design framework in advance of issuing the RFP.

Community Engagement Pro-Tip:

The design parameters should be shaped by community concerns about integrating the site into the local community. They should consider how the project can provide community services via interim uses of the site or co-located facilities, be compatible with nearby developments, and give local businesses first-right-of-refusal to rent commercial space at or below market rate.



Photo: MTC Photo Library; Noah Berger

Community Engagement Pro-Tip:

Consider using local hire programs for construction of the proposed development and communicate with the community about any construction impacts.

Site Preparation and Predevelopment Financing

Brownfield Redevelopment

If any of your City's public land sites are brownfields, you may be eligible for brownfield redevelopment financing. A brownfield is a property that is underutilized as a result of perceived or real contamination from hazardous substances, contaminants, or pollution.

Given the environmental constraints posed by many public land sites, these funding programs are valuable opportunities to improve a site's redevelopment potential. Complete oversight is essential to ensure that a brownfield site is appropriately remediated and safe for reuse.

For more details on brownfield grants you may qualify for, see [Appendix 4](#). There, you'll also find information on financing mechanisms for affordable housing development.

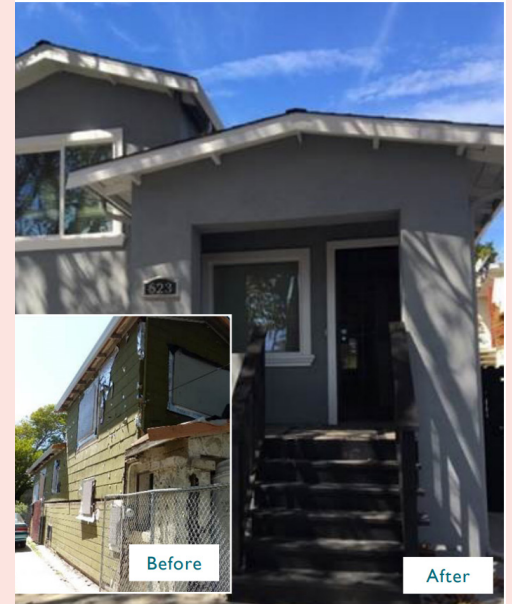


Photo: EPA Region 9 Case Study

Case study:



The City of Richmond and the Richmond Community Foundation leveraged EPA Brownfields Assessment and Cleanup grants as well as a new social impact bond to rehabilitate abandoned properties and sell numerous affordable homes to first time homebuyers. Learn more [here](#)

Envirostor



The Department of Toxic Substances Control's data management system for tracking sites with known or suspected contamination.

Appendix 1:

Recommendations from the MTC Workforce Housing Action Plan

Appendix 2:

Public Lands Reuse Initiative Survey & Interview Findings

Appendix 3:

Sample Site Prioritization Criteria

Appendix 4:

Project Financing Resources

Appendix 1: Recommendations from the MTC Workforce Housing Action Plan

The following excerpt is from a memorandum developed for MTC by Economic & Planning Systems (EPS) in 2018 highlighting findings and recommendations from the MTC Workforce Housing Action Plan, which focused on a sub-set of publicly owned parcels near Bay Area rail stations.

Building upon approaches that have been successfully used by various jurisdictions in the Bay Area and beyond, this Action Plan suggests steps that any Bay Area jurisdiction can take to increase the likely success of addressing the region's great housing needs by developing public land for housing. Highlights include the following recommendations:

- 1. Public agencies should make a conscious and consistent effort to prioritize housing construction on as many parcels as possible.** Cities, school districts, transit agencies, and other public organizations will continue to need much of the property they currently hold to serve their core missions. However, by communicating the desire and expectation that their property will be aggressively reviewed and offered for housing development opportunities, agencies can make clear to their entire staff and constituency that they are adopting a pro-housing position and that inevitable conflicts should be resolved as favorably for housing as possible.
- 2. Agencies should review their procurement standards to make parcel disposition and development as streamlined as possible.** AB 2135 (Surplus Land Act) requires that any California jurisdiction seeking to develop surplus land must first offer the property to developers of affordable housing. Beyond this statewide requirement, agencies should prepare for disposition and development by creating policy-level flexibility to offer land for either fee simple sale or long-term ground lease, and to offer such land at prices below market-rate appraisal value to the extent that such discounts are required for affordable housing and can be recognized as a local match for other available subsidy programs.
- 3. Agencies should continue to create local funding resources to assist in affordable housing production and retention.** Many Bay Area jurisdictions already require new developments to provide on-site affordable housing or pay fees that can contribute to affordable housing. In addition, an increasing number of cities and counties have passed property and/or sales tax measures funded by the broader community (not just new developments) and directed new proceeds toward affordable housing, and tools

such as Enhanced Infrastructure Financing Districts provide opportunities to direct tax increment toward housing, a partial replacement of previous Redevelopment resources. These and similar local funding approaches can provide much-needed subsidy for both new construction and retention of existing affordable housing stock, and can often be leveraged with other state and federal programs to multiply their impact. The feasibility analysis for this study indicates that under current economic conditions, projects providing 100 percent affordable housing will likely require additional funding sources even if the public land is provided at no cost and the projects receive typical tax credit subsidies.

4. Agencies should take steps to reduce development costs and risks by streamlining the approval process. Housing development in the Bay Area often faces numerous political and procedural challenges, ranging from concerns about environmental impacts to the lengthy and uncertain approval process. These challenges increase development costs due to extra analysis and outreach requirements, and increase risk by reducing the certainty that a developer investing in extensive pre-development efforts (including site acquisition) will receive approvals for a feasible project. These costs and risks can be reduced through public sector efforts such as establishing ministerial permitting or “by-right” zoning for projects meeting objective standards defined by the local jurisdiction, providing program-level environmental clearance, waiving or deferring certain impact fees, and making public investments in required infrastructure or replacement parking. Public land itself also can play a key role in this feasibility issue by allowing affordable housing developers to acquire land at below-market prices and allowing them to defer the acquisition costs until a project has advanced on approvals and external funding efforts.

5. Agencies should take steps to enhance project feasibility through their development regulations. Many communities have adopted Specific Plans or made other efforts to increase the allowed densities of both public and private land, which often can enhance project feasibility. Jurisdictions also can enhance project feasibility by encouraging form-based zoning and/or construction of “affordable by design” units, and by allowing affordable housing projects to provide fewer parking spaces per unit. While such options may not always be appropriate given the context of any given development, the flexibility to diverge from standard development regulations can significantly enhance project revenues and/or save costs. Trade-offs between certainty (risk reduction due to clear regulations) and flexibility (potential cost savings or value enhancements through discretionary options) should be weighed when considering policies to adjust the design and programming parameters for affordable housing projects.

6. **MTC should use its leverage to strongly encourage jurisdictions to aggressively pursue housing development on surplus public lands.** As a regional organization controlling significant funding for transportation and the responsibility to implement a sustainable development pattern for the Bay Area, MTC should direct discretionary funding to jurisdictions that have proven capable of producing housing, invest proactively in projects that face major infrastructure hurdles, fund technical studies and staffing support for agencies seeking to develop their land, create flexible funding mechanisms to offer low-cost financing, and lobby for State laws that encourage the use of public lands for housing.

View the full [MTC Workforce Housing Action Plan](#).

Appendix 2: Public Lands Reuse Initiative Survey & Interview Findings

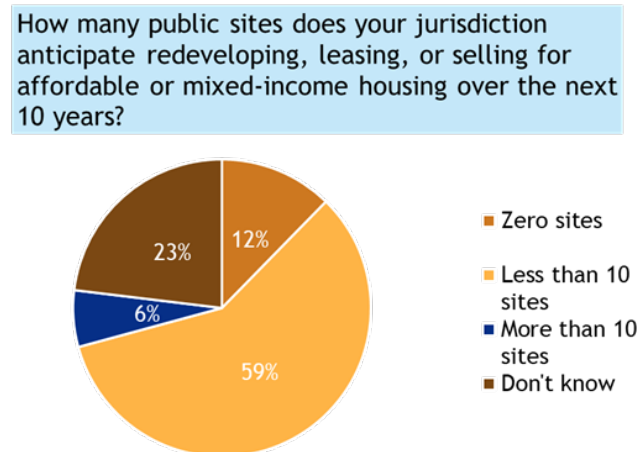
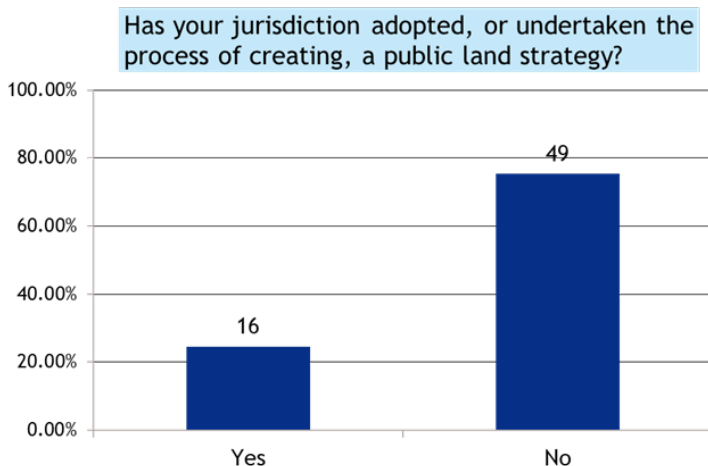
Survey

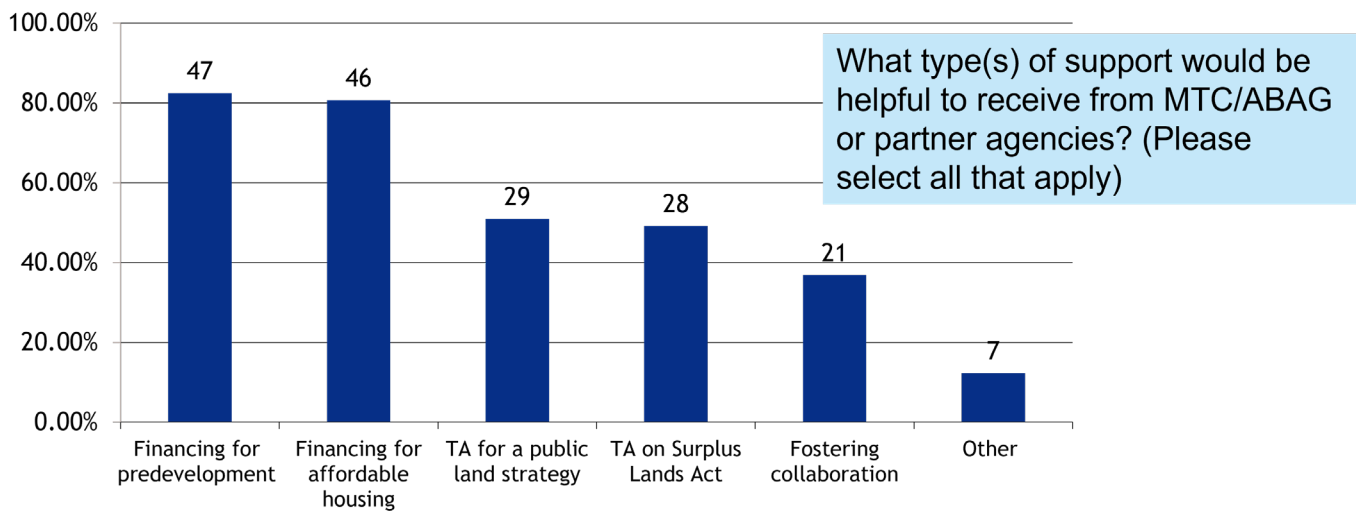
Methodology:

As a part of our Public Lands Reuse Initiative, we developed a 5-minute online survey aimed at understanding the specific challenges and opportunities of reusing public land and identifying actions and investments to support affordable housing delivery and local government planning. The survey was administered via the survey platform Prolific during the winter of 2021. The ten questions asked participants about policies or programs their jurisdiction/organization is pursuing to advance public land reuse, the number of public parcels they anticipate redeveloping for housing, potential barriers to redevelopment, and support they would be interested in receiving from MTC/ABAG. To reach as broad of a network of stakeholders as possible, we distributed the survey to all planning, economic development, and community development directors as well as the distribution list for Regional Housing Needs Allocation .

Key Findings:

- 70 responses from jurisdictions in 8 Bay Area counties and local organizations
- Only about one-quarter have a public land strategy
- Three-fifths anticipate redeveloping, leasing, or selling < than 10 public sites for affordable or mixed-income housing over the next 10 years
- Nearly half report having only a little staff capacity and about a quarter report having no capacity
- Biggest barrier is funding (reported by ~70%), followed by lack of land, staff expertise, and interest
- The most desired type of support from MTC/ABAG is funding for predevelopment or affordable housing, followed by TA on a public land strategy or the Surplus Lands Act





Example Quotes:

“No strings attached funding is the most important thing that the state/regional collaboratives could provide. Most initiatives that come out of MTC/ABAG are too process heavy to really be useful.”

“Funding for CEQA analysis and mitigation-Sonoma County is broadly affected by California Tiger Salamander and wetland mitigation requirements which significantly add cost to projects.”

Interviews

Methodology:

During the fall of 2021, we conducted a series of interviews with over 20 topic area experts and local staff members as a part of our context analysis of public land reuse in the Bay Area. These interviews shared the same primary objective as the survey - to better understand the current challenges and opportunities involved with reusing public land for affordable housing and the technical assistance MTC/ABAG could provide to local staff. Interviewees included local jurisdictions, regional transit agencies, staff at the Department of Housing and Community Development, community land trusts, and local advocacy and nonprofit organizations. Beyond the Bay Area, experts from other regions were contacted to share insights on successful land development, financing and housing models that may be transferrable to the Bay Area.

Key Findings:

Challenges

From our interviews with local staff, community land trusts, industry experts, and others, we heard more about the specific challenges they face with reusing public land for mixed-income or affordable housing including:

- Station access, parking, and infrastructure planning needs
- Lack of funding
- Land is limited, occupied, or fractured
- Finding sites
- Lack of knowledge or expertise
- Staff capacity
- Long procurement and solicitation process
- Attachment to prior use or opposition to future use
- Elected officials or cities focused on profit
- Balancing AFFH with TOD
- Unclear or delayed state guidance
- Legal or financial restrictions impeding sale of land

Desired Support

MTC/ABAG can utilize its financing and convening role as well as its technical expertise to provide needed support to local jurisdictions. The following list includes suggestions from interviewed stakeholders on how MTC/ABAG can be most helpful:

Funding:

- Infrastructure studies and funding (for transit, parking, etc.)
- Funding for environmental testing and remediation
- Predevelopment funding
- Planning grants
- Funding for preservation and naturally affordable sites
- Capital for acquisition and subsidies

Leadership & Leverage:

- Convening stakeholders
- Linking affordable housing funding to public land via BAHFA
- Reaching statewide policy agreement
- Leveraging relationships with transit agencies
- Outreach and education on the value of public land development

Technical support:

- Compliance with the Surplus Lands Act and other laws
- Establishing a systematic approach to surplus land
- Step by step process timeline
- Loan of staff with housing development experience

Appendix 3: Sample Site Prioritization Criteria

Sample criteria to prioritize sites:

Below are suggested criteria for prioritizing sites and associated datasets; the level of emphasis placed on each should reflect community input.

Category	Criteria	Data Source
Affordable housing feasibility and capacity	Parcel size	County Assessor's Parcel Data/ MTC-ABAG (Housing Element Site Selection (HESS) Tool)
	Vacancy status	County Assessor's Parcel Data/ MTC-ABAG (Housing Element Site Selection (HESS) Tool)
	Infrastructure provision	MTC-ABAG (Housing Element Site Selection (HESS) Tool)
	Average rents	Census, Zillow, HUD Fair Market Rents (2022)
Access to transit	Distance from major transit stop	MTC (Transit Stops Existing and Planned 2021)
	Within Transit Priority Area	MTC (Transit Priority Areas 2021)
Access to opportunity/ services	Score on the amenities included on the TCAC application (questions 2-9)	MTC-ABAG – Coming soon
	Within High or Highest Resource Area	HCD/CTCAC (Resource Opportunity Areas 2022)
Natural hazard risk	Inundated with sea level rise of 36" or 72"	BCDC (Adapting to Rising Tides Bay Shoreline Flood Explorer)
	Fire hazard	CalFire (Fire Hazard Severity Viewer and data download)
	Flood risk	FEMA (Flood Hazard Zones)
	Seismic Risk	California Department of Conservation (Alquist-Priolo Earthquake Fault Zones)
Toxic substance and air quality exposure	Within CalEnviroScreen disadvantaged community	CalEnviroScreen 4.0
	Within CARE Community	BAAQMD (CARE Communities)
	On Cleanup site	DTSC (Envirostor)
Access to open space	Distance from public park	California Protected Area Database
Proximity to job centers and other destinations	# jobs accessible within 45 min transit ride of 30 minute drive	MTC (PBA 2050/2021 RTP-SCS Model Output ; see bottom of table)
	Number of total destinations accessible within 45 mins	MTC (PBA 2050/2021 RTP-SCS Model Output ; see bottom of table)

Appendix 4: Project Financing Resources

Site Preparation and Predevelopment

The financial resources you have available and the funding each site qualifies for (e.g., brownfield, priority sites pilot) will determine which sites you should prioritize for redevelopment. Below, you will find a summary of funding programs for predevelopment, site preparation, and affordable housing development. Please note that these programs are subject to changes each funding cycle.

Priority Sites Pilot Program – Coming soon

In late 2022/early 2023, MTC/ABAG anticipates launching a Priority Sites Pilot Program to advance major mixed-income and affordable housing projects on public lands. This may include a local site nomination process and a competitive funding program offering resources such as predevelopment funding.

Updates about the program will be posted to this page later in the year.

Brownfield Redevelopment Financing

If any of your agency's infill public land sites have not yet completed an Environmental Site Assessment, you may be eligible for brownfield redevelopment financing. A brownfield is a property that is underutilized due to perceived or real contamination from hazardous substances, contaminants, or pollution.

Given the environmental constraints posed by many public land sites, these funding programs are valuable opportunities to improve a site's redevelopment potential.

The Genesee County Land Bank is one example of how using brownfield redevelopment financing can produce successful outcomes on public land. It is one of the most successful land banks in the US that owns nearly 14,000 properties in the County and has increased property values by over \$100 million. It uses state authority to classify the tax foreclosed properties in its inventory as brownfields, which then enables it to take advantage of brownfield redevelopment financing. Learn more on the [Genesee County Land Bank website](#).

DTSC Equitable Community Revitalization Grant (ECRG)

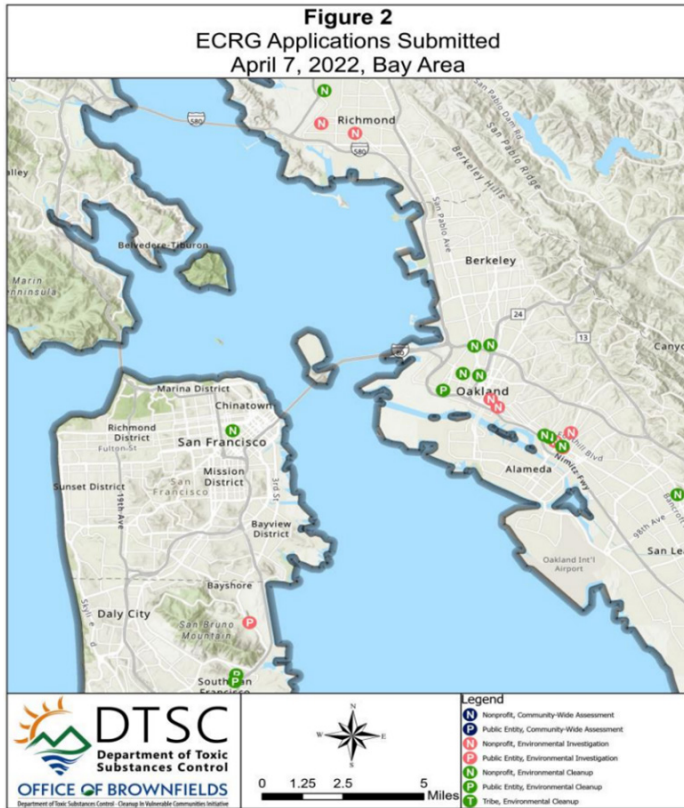
The Department of Toxic Substances Control's (DTSC) Office of Brownfields launched an Equitable Community Revitalization Grant program in January 2022. This program will provide 250+ million in grants to clean up and invest in disadvantaged areas and

further recreational, commercial, and residential use of the land. Applicants can receive a grant of up to \$7 million per application for community-wide assessments, site-specific environmental investigations, and environmental cleanups. The Center for Creative Land Recycling also offers free technical assistance to complete every step of

the application process.

In the most recent application cycle, there were 19 applications in the Bay Area out of a total 74 applications received (see map).

Check out DTSC's infographic with [application data](#) and infographic with [awardee data](#) for more information. You can also find a map of grant awards and other resources on their [website](#).



DTSC Targeted Site Investigation (TSI) Program

The Targeted Site Investigation program is DTSC's CERCLA 128(a) State and Tribal Response Program Grant, funded by the United States Environmental Protection Agency. Brownfield sites with redevelopment need or potential, real or perceived contamination, and/or municipal/community support may be eligible to receive environmental services such as assessment, investigation, or cleanup planning through the TSI program.

Note that the TSI program is currently being converted into an enhanced TSI+ program, which is now accepting applications for pilot projects. The TSI+ program focuses on properties that meet the following criteria:

- Located in communities that are disadvantaged, have environmental justice issues, or are disproportionately burdened by and vulnerable to multiple sources of pollution, such as those with high CalEnviroScreen scores.

- Proposed redevelopment aligns with California’s priorities of “tackling our state’s affordability crisis, creating inclusive economic growth and opportunity for every child, and standing up for California values – from civil rights, to immigration, environmental protection, access to quality schools at all levels, and justice”
- Development planning is complete or in progress.
- Cleanup/redevelopment funding has been secured or is in progress.

DTSC Brownfields Revolving Loan Fund (RLF)

The Brownfields Revolving Loan Fund offers grants for public land sites with planned redevelopment/reuse of up to \$200,000 for assessment and \$350,000 for cleanup. Grants are awarded to local government agencies, nonprofits, or tribes who are not considered responsible parties to help with hazardous substance and petroleum cleanup on sites they own. Grants can be used for:

- Cost to treat, remove, or mitigate environmental contamination
- Hazardous material or waste disposal fees
- Confirmation sampling or other cleanup-related sampling
- Engineering controls.

DTSC Cleanup Loans and Environmental Assistance to Neighborhoods (CLEAN) Program

The DTSC CLEAN program provides low-interest loans of up to seven years and \$2.5 million to cleanup abandoned or underutilized properties where redevelopment could positively impact property values, economic viability, and quality of life for the community. Loan repayment begins upon site certification or response action completion or two years after loan disbursement, whichever comes first.

DTSC Investigating Site Contamination Program (ISCP)

The DTSC Investigating Site Contamination Program provides low-interest loans up to 3 years and \$100,000 to conduct preliminary endangerment assessments on underutilized properties. If DTSC determines that property redevelopment is not economically feasible, it can waive up to 75% of the loan. Loan repayment begins six months after loan disbursement.

EPA Brownfield Assessment Grants

The EPA Brownfield Assessment Grants offer funding to inventory and assess brownfield sites and perform various planning (e.g., area-wide planning, remediation planning, reuse planning) and community engagement activities related to the sites. Applicants can apply for up to \$500,000 for community-wide assessments (typically do not have a specific site in mind or plan to spend it on more than one site) or \$200,000 (\$350,000 with waiver) for a site-specific assessment. In some funding cycles, three or more entities can form a coalition to assess a minimum of five sites for up to \$600,000. The grant must be used within 3 years.

EPA Brownfield Cleanup Grants

The EPA Brownfield Cleanup Grants offer funding for cleaning up brownfield sites. Applicants can apply for up to \$500,000 to clean up one or more brownfield sites. Those who plan to clean up only one site can submit a waiver of the grant limit and apply for up to \$650,000. The applicant must own the site for which the funding would apply and must use the grant within 3 years.

EPA Brownfield Revolving Loan Fund Grants

The EPA Brownfield Revolving Loan Fund Grants provide funding to capitalize a revolving loan fund and to provide loans and subgrants to carry out cleanup activities at brownfield sites. Applicants can be individual entities or coalitions of two or more entities and can apply for up to \$1,000,000. In February 2022, the EPA made two changes to the program:

- Only those entities that do not have an open Brownfields RLF cooperative agreement will be eligible to apply for funding.
- When current high-performing RLF grant recipients are selected for non-competitive supplemental funding, EPA may choose to award a new RLF Grant, rather than extend the period of performance of the current cooperative agreement

EPA Brownfields Multipurpose Grants

The EPA Brownfields Multipurpose Grants provide up to \$800,000 in funding to perform eligible assessment and cleanup activities in a specific target area. The applicant must show how the grant will result in at least one Phase II environmental site assessment, one brownfield site cleanup, and an overall plan for revitalization of one or more brownfield sites. The grant must be used within 5 years.

Resource: EnviroAtlas for Brownfields ([Interactive Map](#))

Affordable Housing and Housing-Supportive Infrastructure Financing

Tax Increment Financing Tools

Tax increment financing is an approach used to advance economic development in a certain geographic area by diverting future tax revenue (known as increment) to pay for improvements and/or pay back bonds.

Enhanced Infrastructure Financing Districts and Community Revitalization Investment Authorities

Both EIFDs and CRIAs are tax increment financing tools that can be used for affordable housing projects and cover costs such as construction, acquisition, planning/design, brownfield mediation and restoration, and/or rehabilitation costs. While they can be strong financing tools, it is important to keep in mind that they require upfront investments, since the availability of tax increment that pays the debt service on the IFD bonds lags behind the actual development work.

The chart below compares the two tools:

	EIFD	CRIA
Governing Body	Public Finance Authority	Community Revitalization Investment Authority
Qualification Criteria for area	No	Yes - median income requirements and certain economic indicators
Voter approval to form District	No	If 25-50% of property owners/residents protest, an election must be held. If more than 50% protest, adoption proceedings are terminated
Planning Documents Required	Infrastructure Financing Plan	Community Revitalization and Investment Plan
Other Formation Requirements	If a redevelopment project area is involved, Successor Agency must meet certain requirements including finding of completion	If City or County involved has a Successor Agency, the SA must meet certain requirements including finding of completion
Duration	Max 45 years from approval to issue bonds	Max 45 years from formation
Reporting Requirements	Audit every 2 years after issuance of bond debt	Substantive annual report; five year audit of housing expenditures; ten year protest proceeding which can stop all further action with majority protest
Affordable Housing Set-Aside	No, but can build/rehab units if affordability covenants exist or are instated	Yes, 25% of tax increment
Inclusionary Housing Requirement	If housing is financed, units restricted to low and moderate income	Covenants: 55-year rental, 45-year owner occupied, 15-year mutual self-help. Proportional expenditure limits apply.
Voter Approval to Issue Bonds	Yes - 55%	No

For a more extensive comparison, see CALED's Tax Increment Financing Tools Comparison Chart

Source: [California Association of Local Economic Development](#)

Neighborhood Infill Finance and Transit Improvement Districts

NIFTIs are a particular type of EIFD focused on affordable housing development and transit improvements in qualified infill areas. Although they have additional requirements, they take advantage of property tax increments as well as sales and use tax increments. Financing can cover construction, acquisition, rehabilitation, and predevelopment costs.

Tax Increment Financing Tool Resources:

- [Resource Guide to EIFDs](#) by California Community Economic Development Association
- Example EIFDs:
 - [City of Fresno](#)
 - [City of West Sacramento](#)
 - [City of La Verne](#)
- Example CRIAs:
 - [City of Victorville](#)

Low-Income Housing Tax Credits

The [Low-Income Housing Tax Credit \(LIHTC\) program](#) was created by the Tax Reform Act of 1986 and is the most significant resource for creating affordable housing in the US. The program, which is administered by the Internal Revenue Service, offers a credit against a taxpayer's tax obligation along with other tax incentives for acquiring, rehabilitating, or constructing affordable housing. Tax credits are distributed to each state's tax credit allocating agency, which in our state is the California Tax Credit Allocation Committee (CTCAC). CTCAC then distributes these through the Qualified Allocation Plan process.

There are two types of low-income housing tax credits: a 4% tax credit and a 9% tax credit. The 9% tax credits are offered through a stand-alone, competitive application process while the 4% tax credits must be paired with tax-exempt bond funding, which is offered through the California Debt Limit Allocation Committee (CDLAC). Tax-exempt bonds may be competitive or non-competitive at any given time. When CDLAC deems them non-competitive, the 4% low-income tax credits are easily accessed.

LIHTC Resources:

- [An Introduction to the Low-Income Housing Tax Credit](#) by the Congressional Research Service
- [The Low-Income Housing Tax Credit: How It Works and Who It Serves](#) by the Urban

Institute

- [LIHTC project map and data](#)
- [CTCAC Resources](#) for developers building housing and owners/managers of existing projects

Grants and Loans (see HCD's Hub of Active Programs)

[Affordable Housing and Sustainable Communities Program](#)

The Affordable Housing and Sustainable Communities (AHSC) Program funds land-use, housing, transportation, and land preservation projects to support infill and compact development that reduce greenhouse gas emissions. The loans and/or grants can go towards affordable housing developments*, housing-related infrastructure, sustainable transportation infrastructure, transportation-related amenities, and/or program costs.

Three Project Area types have been identified to implement this strategy:

- Transit Oriented Development (TOD) Project Areas
- Integrated Connectivity Project (ICP) Project Areas
- Rural Innovation Project Areas (RIPA)

The maximum loan or grant award (or combination thereof) is \$30 million with a minimum award of at least \$1 million in all Project Area types. A single developer may receive no more than \$60 million per NOFA funding cycle.

*includes new construction, acquisition, and substantial rehabilitation, including preservation of affordable housing at risk, or conversion of one or more nonresidential structures to residential dwelling units.

[Infrastructure Infill Grant Program](#)

The Infrastructure Infill Grant (IIG) Program promotes infill housing development by providing financial assistance for Capital Improvement Projects that are an integral part of, or necessary to facilitate the development of, a Qualifying Infill Project or a Qualifying Infill Area. The grants are available as gap funding for infrastructure improvements necessary for specific residential or mixed-use infill development projects or areas.

Eligible applicants include a city, county, city and county, or public housing authority that has jurisdiction over a Qualifying Infill Area as well as a nonprofit or for-profit Developer of a Qualifying Infill Project that has received a letter of support from the governing body of the city, county, or city and county that has jurisdiction over a Qualifying Infill

Project. Eligible costs include the construction, rehabilitation, demolition, relocation, preservation, acquisition, or other physical improvements of a capital asset that is an integral part of, or necessary to facilitate the development of a qualifying project or area.

Community Development Block Grant Program

The Community Development Block Grant (CDBG) Program aims develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, primarily, for persons of low- and moderate-income. CDBG funds are provided as grants to non-entitlement jurisdictions and must meet one of three objectives:

- Benefit to low- and moderate-income persons
- Aid in the prevention or elimination of slums and blight
- Meet an urgent need

Non-entitlement jurisdictions (cities with populations under 50,000 and counties with populations under 200,000 in unincorporated areas that do not participate in the HUD CDBG entitlement program) are eligible to apply for an award up to \$1.5 million. Eligible activities include various forms of economic and community development including housing (single- and multi-family rehabilitation, rental housing acquisition or homeownership assistance, and activities that support new housing construction).

Permanent Local Housing Allocation

The Permanent Local Housing Allocation provides funding to local governments in California for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities. Funding is intended to help jurisdictions increase the supply of housing for households at or below 60% of area median income, increase assistance to affordable owner-occupied workforce housing, assist persons experiencing or at risk of homelessness, facilitate housing affordability, promote projects and programs to meet the local government's RHNA, and ensure geographic equity in the distribution of the funds. Assistance is in the form of formula grants to entitlement and non-entitlement jurisdictions (based on the formula prescribed under federal law for the Community Development Block Grant) or competitive grants to non-entitlement jurisdictions.

Excess Sites Local Government Matching Grants Program

The Excess Sites Local Government Matching Grants (LGMG) Program will provide grant-based funding to match certain local government funding for selected developers and local governments for predevelopment and development of affordable housing on excess state sites. Projects are eligible if they have secured a commitment of local government contribution and if other committed funding sources are insufficient to cover total project costs.

Local Housing Trust Fund Program

The Local Housing Trust Fund (LHTF) program provides matching funds (dollar for dollar) to local and regional housing trust funds in the form of construction loans and/or permanent financing loans for acquisition, predevelopment expenses and development of affordable rental housing projects, transitional housing projects, emergency shelters, and homeownership projects, including down payment assistance to qualified first-time homebuyers, and for rehabilitation of homes owned by income-eligible homeowners. Funds may also be used for the construction, conversion, repair, reconstruction, or rehabilitation of Accessory Dwelling Units (ADUs) or Junior Accessory Dwelling Units (JADUs). No more than 20 percent of each allocation may assist moderate-income households, and at least 30 percent of each allocation is required to assist extremely low-income households. The maximum application request is \$5 million.

National Housing Trust Fund

The National Housing Trust Fund (NHTF) is a federal program to increase and preserve the supply of affordable housing, with an emphasis on rental housing for extremely low-income households. Deferred payment loans or forgivable loans are available with a regulatory agreement of 55 years for new construction of permanent housing for extremely low-income households.

Portfolio Reinvestment Program

The Portfolio Reinvestment Program (PRP) preserves existing HCD-funded affordable housing projects by extending and restructuring affordability agreements, extending loan maturity dates, providing new low-interest long-term loans for rehabilitation, and providing forgivable loans to capitalize short-term operating subsidies. Approximately \$285 million in funding will be made available to HCD-assisted projects whose HCD affordability restrictions have expired and not been removed from the project, and/or

have HCD affordability restrictions that are expiring on or before December 31, 2026.

California Housing Accelerator

The California Housing Accelerator fills funding gaps in shovel-ready projects that have received funding under other HCD programs but have been unable to access low-income housing tax credits. Assistance for eligible projects will be provided in the form of a forgivable loan, with terms of zero percent interest for 20 years with no residual receipts or periodic payment requirements. It will be provided in prioritized tiers:

- Tier 1: Prioritizes HCD-funded projects which have previously applied to CDLAC for bonds and 4% tax credits.
- Tier 2: Open to projects with a previous HCD award which listed tax-exempt bonds and 4% low-income tax credits as development sources in their HCD application but have not received allocations of these resources.

Eligible projects must demonstrate the following:

- an award, issued on or after January 1, 2018, from at least one of the specified HCD multifamily housing programs,
- evidence that, with a California Housing Accelerator award, the project will have complete financing and all entitlement approvals necessary to start construction within 180 days of award.

The Department has developed a list of the projects potentially eligible for California Housing Accelerator funding, which is available on the Department's California Housing Accelerator webpage.

Note that Housing Accelerator funding to date has come from state budget surpluses, so this program may not continue if one-time funds availability does not continue and another funding stream is not secured.

Golden State Acquisition Fund

The Golden State Acquisition Fund provides a flexible source of capital for the development and preservation of affordable housing properties throughout California. Developers can access acquisition financing for rental housing and homeownership opportunities at favorable terms for urban and rural projects statewide.

Loans can be used for the acquisition of vacant land or existing properties for rental or homeownership development and cannot exceed \$13,950,000 (including fees, interest, and acquisition costs). They have a maximum term of 5 years and require identification of a repayment source.

Additionally, the development projects must be located in California and meet the following affordability requirements:

- If Rental: 100% of units restricted to households at or below 60% of AMI
- If Homeownership: restricted to households at or below 80% AMI
- If Mixed-Use: no less than 75% of total square footage to be acquired will be developed as affordable housing (at or below 60% AMI); if below 75% project loan amount will be adjusted.
- If Mixed-Income: no less than 75% of number of proposed residential units will be developed as affordable housing (at or below 60% AMI); if below 75% project loan amount will be adjusted.

Predevelopment Loan Program

The Predevelopment Loan Program provides short-term loans to finance predevelopment costs to preserve, construct, rehabilitate or convert assisted housing for low-income households. The short-term loans have 3% simple annual interest for up to two years and a limit of \$100,000 for purposes other than site option or site purchase. The maximum amount committed to any one borrower at any point in time is announced in each NOFA.

Eligible uses for the loans include predevelopment costs to construct, rehabilitate, convert, or preserve assisted housing, including manufactured housing and mobile home parks including but not limited to site control, site acquisition for future low-income housing development, engineering studies, architectural plans, application fees, legal services, permits, bonding, and site preparation. Priority will be given to developments which are rural, located in the public transit corridors, or which preserve and acquire existing government-assisted rental housing at risk of conversion to market rents.

Multifamily Housing Program

The Multifamily Housing Program offers low-interest, long-term deferred-payment loans for new construction, rehabilitation, and preservation of permanent and transitional rental housing for lower-income households. The loans have a 55-year term, 3% simple interest on unpaid principal balance, and require payments of .42% annually for the first 30 years. At least 30% of total funds will go to projects in Northern California.

Joe Serna, Jr. Farmworker Housing Grant Program (FWHG)

The Farmworker Housing Grant program helps fund new construction, rehabilitation, and acquisition of owner-occupied and rental units for agricultural workers, with a priority for lower income households. Financial assistance is available as deferred-payment loans for multifamily housing new construction or rehabilitation and grants for single-family new construction or owner-occupied rehabilitation programs. Eligible uses for the grant include costs in the development of homeowner or rental housing for agricultural workers, including land acquisition, site development, construction, rehabilitation, design services, operating and replacement reserves, repayment of predevelopment loans, provision of access for the elderly or disabled, relocation, homeowner counseling, and other reasonable and necessary costs.

Multifamily Rental

- New Construction or Rehabilitation Loans: Lien restrictions for assisted units are required for 55 years. Loans may be made in conjunction with low-income tax credit financing.
- New Construction or Rehabilitation Grants (Forgivable Loans): Lien restrictions for assisted units are required for up to 55 years. Grants (Forgivable Loans) may be made in conjunction with low-income tax credit financing.

Single Family/Owner Occupied

- Homeowner Grants: For rehabilitation or new home construction, lien restrictions are required for 20 years. If the unit is sold to a non-farmworker buyer before completing the 10th year, the full grant amount must be repaid under most circumstances. Between the 10th and 20th anniversaries, the grant is forgiven at a rate of 10 percent per completed year. The grant is fully forgiven after completing 20 years.

HOME Investment Partnerships Program

The HOME Investment Partnerships program provides grants to cities and counties and low-interest loans to developers, including Native American Entities and state-certified CHDOs to create and retain affordable housing. Most assistance is in the form of loans by city and county recipients to project developers, to be repaid to local HOME accounts for reuse. Eligible activities include housing rehabilitation, new construction, and acquisition and rehabilitation, for multifamily projects; new construction and down payment assistance for single-family projects; First-Time Homebuyer down payment assistance, Owner-Occupied Rehabilitation and Tenant-Based Rental Assistance

programs; and predevelopment loans to CHDOs. All activities must benefit low-income renters, homebuyers, or homeowners.

HUD's HOME Program

The US Department of Housing and Urban Development's HOME Program provides grants to states and local governments to implement local housing strategies designed to increase homeownership and affordable housing opportunities for low and very low-income Americans. Eligible uses of funds include tenant-based rental assistance, housing rehabilitation, and assistance to homebuyers; and new construction of housing. HOME funding may also be used for site acquisition, site improvements, demolition, relocation, and other necessary and reasonable activities related to the development of non-luxury housing.

Additional State Funding Sources Specifically for Homeless Housing Development:

Housing for a Healthy California (HHC)

The Housing for a Healthy California program creates supportive housing for individuals who are recipients of or eligible for health care provided through the California Department of Health Care Services, Medi-Cal program. The goal of the HHC program is to reduce the financial burden on local and state resources due to the overutilization of emergency departments, inpatient care, nursing home stays and use of corrections systems and law enforcement resources as the point of health care provision for people who are chronically homeless or homeless and a high-cost health user.

AB 74 directs HCD to utilize 2018-2021 federal National Housing Trust Fund (NHTF) allocation for the HHC program. HCD will allocate these funds competitively to developers for operating reserve grants and capital loans for acquisition, new construction, reconstruction, rehabilitation, administrative costs, capitalized operating subsidy reserves (COSR), and rental subsidies and rental assistance for existing and new supportive housing opportunities.

No Place Like Home Program

The No Place Like Home Program provides funding for the development of permanent supportive housing for persons who are in need of mental health services and are experiencing homelessness, chronic homelessness, or at risk of chronic homelessness.

Key features of the program include:

- Counties will be eligible applicants (either solely or with a development sponsor).

- Funding for permanent supportive housing must utilize low barrier tenant selection practices that prioritize vulnerable populations and offer flexible, voluntary, and individualized supportive services.
- Counties must commit to provide mental health services and help coordinate access to other community-based supportive services.

Noncompetitive Allocation (\$190 million)

- Distributed by formula allocation to each county based on their 2017 homeless Point-In-Time Count with a minimum allocation per county of \$500,000.

Competitive Allocation (up to \$1.8 billion for multiple funding rounds)

- Second Round Funding: Anticipated minimum of \$622 million.
- Counties will compete for funding with counties of similar size:
 - Los Angeles County*
 - Large counties (population greater than 750,000)*
 - Medium counties (population between 200,000 to 750,000)
 - Small counties (population less than 200,000)

Veterans Housing and Homelessness Prevention Program

The Veterans Housing and Homelessness Prevention Program offers long-term loans for the acquisition, construction, rehabilitation, and preservation of affordable multifamily housing for veterans and their families to allow veterans to access and maintain housing stability. At least 50 percent of the funds awarded shall serve veteran households with extremely low incomes and of those units targeted to extremely low-income veteran housing, 60 percent shall be supportive housing units.

HOME American Rescue Plan Program (HOME-ARP)

The HOME-ARP program aims to assist individuals or households who are experiencing homelessness, at risk of experiencing homelessness, and other vulnerable populations by providing funding for rental housing, rental assistance, supportive services, and non-congregate shelters. In the summer of 2022, HCD will receive \$131 million to implement the HOME-ARP Program.

A HOME-ARP Allocation Plan must be prepared and submitted to HUD prior to receiving HOME-ARP program funds. The plan must describe the gaps within California's shelter,

housing, and service delivery systems. The plan must also describe how use of the funds will address the identified gaps.

Eligible activities include:

- Production or Preservation of Affordable Rental Housing
- Purchase and Development of Non-Congregate Shelter
- Tenant-Based Rental Assistance
- Supportive Services, Homelessness Prevention Services, and Housing Counseling
- Nonprofit Operating and Capacity Building Assistance

HomeKey

Homekey continues a statewide effort to sustain and rapidly expand housing for persons experiencing homelessness or at risk of homelessness, and who are, thereby, inherently impacted by COVID-19 and other communicable diseases. Approximately \$1.4 billion in grant funding was available in FY2021-22 to local public entities, including cities, counties, or other local public entities, such as housing authorities or Tribal Entities within California.

Eligible uses of HomeKey funding include:

- Acquisition and/or rehabilitation of motels, hotels, hostels, or other sites, including apartments or homes, adult residential facilities, residential care facilities for the elderly, manufactured housing, commercial properties, and other buildings with existing uses that could be converted to permanent or interim housing.
- Master leasing of properties for non-congregate housing.
- Conversion of units from nonresidential to residential.
- New construction of dwelling units.
- The purchase of affordability covenants and restrictions for units.
- Relocation costs for individuals who are being displaced as a result of the Homekey Project.
- Capitalized operating subsidies for units purchased, converted, constructed, or altered with funds awarded under the Homekey Round 2 NOFA for FY 2021-22.

In the last cycle (FY2021-22), the program offered a \$150,000-200,000 capital award

per door, a 1:1 capital match with up to an additional \$100,000 per door, a \$1,000-1,400 operating award per unit, and an operating match. The capital expenditure deadline is 8 months from the award date and the operating expenditure deadline is June 30, 2026. The occupancy deadline is within 90 days of construction or rehabilitation.

County Funding Programs

- Alameda County Housing and Community Development Department
- Contra Costa County Conservation & Development
- Marin County Community Development Agency
- Napa County Housing and Homeless Services Division
- San Francisco Mayor's Office of Housing and Community Development
- San Mateo County Department of Housing
- Santa Clara County Housing Authority
- Solano County Planning Services
- Sonoma County Community Development Commission

City Funding Programs

- City of Oakland Affordable Housing (includes funding sources)
- City of San Jose Affordable Housing Financing
- City of Santa Rosa
- San Francisco (see County Funding Programs above)



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