Kevin Faulconer's

“Housing for All” Plan

One of the greatest opportunities for economic growth and prosperity in San Diego is through the creation of more affordable housing for middle class and working San Diegans.

The next Mayor must have a renewed focus on improving housing affordability and supply. Kevin Faulconer will work to reduce burdensome regulations and implement innovative programs to help make homes more affordable for middle class and working San Diegans.

Faulconer will enact an energized campaign to more efficiently and cost effectively provide affordable and permanent supportive housing for San Diego’s homeless women, men, children and veterans, creating economic opportunities and a better San Diego for all.
KEVIN FAULCONER’S 3-POINT “HOUSING FOR ALL” PLAN TO SOLVE SAN DIEGO’S AFFORDABLE HOUSING CRISIS

Kevin Faulconer’s 3-point “Housing for All” Plan aims to make housing available to more San Diegans than ever before. Faulconer envisions a San Diego where more San Diegans can afford to purchase a home, affordable housing options are within reach for working families, and the City’s most vulnerable are provided the resources and support necessary to transform their lives. To accomplish this, Faulconer will work to lessen regulatory burdens to reduce the cost of construction and the lower the price of average homes, create more affordable housing through programs that incentivize private investment and maximize taxpayer resources, and implement policies that will compassionately and cost effectively help the homeless.

MAKE MIDDLE-CLASS HOUSING AFFORDABLE
As mayor, Kevin Faulconer will work to improve the affordability of market rate housing by reducing regulatory burdens that stagnate future growth and hold back the construction of future housing supply. Housing supply is relatively low due in part to strict regulatory burdens that increase the cost associated with building homes. Faulconer aims to increase supply by streamlining the permitting process, providing incentives for smarter growth near transit corridors, and implementing other measures that would reduce the overall cost of construction to revive the economy and increase housing affordability.

DEVELOP AFFORDABLE HOUSING OPTIONS FOR WORKING FAMILIES
As mayor, Kevin Faulconer will incentivize the construction of affordable housing for working families by encouraging private and philanthropic investment in affordable housing. Faulconer is committed to working with the state delegation to reform California’s federal funding allocation process to more effectively spend taxpayer dollars.

COMPASSIONATELY AND COST-EFFECTIVELY ADDRESS HOMELESSNESS
As mayor, Kevin Faulconer will implement “housing-first” homeless solutions to solve homelessness in San Diego. Extensive research shows that the best method for addressing homelessness is to target resources to solving chronic homelessness. Chronically homeless — individuals who are homeless for more than a year — disproportionately use public resources. Recent research conducted by the San Diego Downtown Partnership shows that it is not only the right thing to do, but it is more cost-effective for the City to rapidly find housing for homeless individuals. Research showed that in San Diego, Emergency Room visits, inpatient hospitalizations, and nights in jail cost taxpayers $36,624 per person in 2012 while the costs to house an individual for a year is $27,000. Millions in dollars in savings are being left on the table every year.
Step 1: Make Middle Class Housing Affordable

Faulconer will pursue a multi-step approach to increase the local housing supply and reduce the cost of housing so that average San Diegans can afford a home – and San Diego’s economy can prosper.

A major component to solving the affordability housing crisis is to address the supply and demand problems that affect San Diego’s housing market. One of the largest contributors to increased housing costs is the amount of land-use regulations associated with housing construction.¹ As the cost of building increases and supply is constricted by strict regulations that hamper the construction of additional supply, housing prices trend upwards.

Develop strategies to reduce regulatory hurdles for building new homes.
The City’s current regulatory processes for permitting projects is burdensome and expensive, with extra costs often passed onto consumers, impacting local housing costs. Several measures can be included to reduce costs and increase overall affordability.

- **Update community plans designed to guide future development and streamline environmental review.** Many of the City’s community plans are out of date, and because of this, many builders have to pay for expensive plan variances. This increased uncertainty and cost contributes to the inability for average working families to purchase a home. The City can also expedite the environmental review process by creating Master Environmental Impact Reports (EIRs) that provide environmental review for entire geographical areas, lifting the burden from individual applicants to complete their own environmental analysis. Master EIRs can help stimulate economic development, helping to increase the overall housing supply. In his first mayoral budget, Faulconer will streamline regulations by strategically funding community plan updates that include Master EIRs to stimulate investment and revitalization efforts.

- **Streamlined permitting and incentive programs to encourage private investment near transit corridors.** As mayor, Faulconer will collaborate with Civic San Diego by transferring urban design, planning, and permitting authority on a limited basis to support community development efforts and prioritize development along transit corridors. Civic San Diego will be able to use this additional authority to better leverage public and private sources of funding to incentivize urban renewal through an expedited permitting process and innovative programs that reduce costs

for builders. This program could reduce construction costs by allowing builders to reduce parking demand by purchasing transit passes for tenants or provide an option to pay a fee that would be utilized for community parking options. **As mayor, Faulconer will create economic incentives, such as alternative parking options, to reduce costs for construction near transit corridors which will incentivize additional home construction.**

- **Extend bipartisan ordinance for fee deferral.** San Diego contractors are responsible for tens of thousands of dollars in fees before a project is even built. By deferring the majority of these costs until the homes are completed – when the certificate of occupancy is issued – builders will have more cash-on-hand to be applied toward additional construction that increases housing supply. If costly fees are deferred until construction is complete, builders will be able to hire more local workers and complete projects with greater certainty. **As mayor, Faulconer will propose extending an ordinance that already gained bipartisan Council support, allowing builders to defer the Facilities Benefit Assessment fee that is set to expire in 2014. Faulconer will explore expanding the City’s deferral programs to similar fees such as water and sewer capacity fees.**

**Step 2: Develop Affordable Housing Options for Working Families**

To help lower income San Diegans, the City must implement reforms to better leverage state and federal funds to maximize resources to increase the supply of affordable units.

- **Reduce the cost to build affordable housing units.** The cost to build affordable units is often much more expensive than building market rate units. The higher cost drives down production and exacerbates San Diego’s affordable housing shortage. These costs are often related to the State of California’s bureaucratic process. Tax credits issued by the State of California are an essential financing tool for affordable housing projects. However, the process used by state officials to disburse these tax credits often drives up overall project costs, providing few incentives for projects that most effectively spend affordable housing funds. **As mayor, Faulconer will work with the San Diego Housing Commission and San Diego’s state delegation to streamline and reform the State of California’s Tax Credit Allocation Committee by adding accountability measures to reduce the cost of affordable housing projects.**
Encourage affordable housing development in areas outside of downtown to lower the costs of construction. Although Downtown San Diego has some of the highest land prices in the city, it has been the focus area for affordable housing projects because of laws that guided the use of former redevelopment funds. Because the state has dissolved the redevelopment program and these funds are no longer available, the City must look at less expensive areas for new projects. Reduced land costs will result in make it easier to build additional affordable housing. **As mayor, Faulconer will identify local solutions to drive down the cost of constructing affordable housing units, including identifying city-owned land parcels and incentivizing their use for construction of affordable housing units.**

**Leverage nontraditional private investment for affordable housing.** Private financing for affordable housing is available but is heavily reliant on taxpayer funds. Faulconer believes the City has an important role to play in providing “gap financing” for affordable housing projects and should utilize broad-based solutions through innovative public-private partnerships. Faulconer will partner with Civic San Diego to strengthen participation by local commercial lending institutions through the Community Reinvestment Act – a federal requirement to invest in local communities – to identify capital for affordable housing projects. **As mayor, Faulconer will enhance the participation of local lending institutions in the Community Reinvestment Act and create a program similar to the Bay Area’s Transit-Oriented Affordable Housing Fund to facilitate the creation of a private philanthropic fund to increase private financial contributions to critical affordable housing projects.**

**Secure federal funding for mixed-use affordable housing developments.** Federal funding programs such as the New Market Tax Credit Program can help finance affordable housing projects and create jobs by stimulating development in low-to-moderate income communities. This program has already secured more than $25 million for revitalization efforts in City Heights. The City should increase its efforts to secure federal funds. **As mayor, Faulconer will hire additional grant writers to work with Civic San Diego to secure additional New Market Tax Credit funds to revitalize neighborhoods throughout San Diego.**
Step 3: Provide Supportive Housing for San Diego’s Most Vulnerable

Kevin Faulconer believes no woman, child, man or veteran in San Diego should have to go without shelter or food. As mayor, Faulconer will utilize proven solutions practices to reduce homelessness in San Diego and help families and individuals in need.

**Background:** In 2013, the San Diego Regional Task Force reported in 2013 that San Diego has over 5,700 homeless individuals living within City limits and 51% of unsheltered homeless were determined to be chronically homeless – individuals who have been homeless for more than one year or who have been homeless more than four times in the last three years. Research has shown that chronically homeless individuals use a disproportionately larger share of public resources.²

According to The United States Interagency Council on Homelessness,³ chronically homeless people represent 10% of the total homeless population nationally yet consume an estimated 50% of available resources, including emergency medical services, shelters, mental health support, law enforcement services, and detox facilities.

A recent report commissioned by Home for Good, a Los Angeles collaborative between the Los Angeles Chamber of Commerce and the United Way of Los Angeles, included two recent studies showing public costs are reduced by over 40% when individuals are placed in permanent supportive housing versus leaving those individuals on the street.⁴

**Benefits of “Housing First”**
The housing first model is aimed to assist individuals who face the most difficult challenges finding permanent housing – the chronically homeless – by providing the stability and supportive services required to effectively address the primary causes of chronic homelessness, such as substance abuse and untreated mental illness.

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Providing permanent supportive housing for the chronically homeless is not only the right thing to do, but also:

- Saves taxpayer dollars by reducing social services costs associated with shelters, emergency healthcare and law enforcement

- Maximizes scarce public resources by focusing on helping the chronically homeless individuals who access the majority of public resources

**Solutions for San Diego**

Solving homelessness in San Diego will be a challenging task that we must undertake as a united community. The City has limited resources and many competing priorities. As mayor, Faulconer will work to:

- **Provide housing first for the chronically homeless.**
  The housing first model has been adopted by many governmental agencies and nonprofit organizations throughout the country, and is a recognized best practice for combating chronic homeless by the United States Interagency Council of Homelessness, a coalition of federal agencies that support state and local governments and other agencies in developing programs to address issues of homelessness. **As mayor, Faulconer will expand upon the proven housing first model to provide permanent housing to the chronically homeless.**

- **Bring regional care providers to the table to maximize resources and monitor performance outcomes.**
  Expanding the existing Regional Continuum of Care Council to include a broader coalition of regional stakeholders would increase collaboration between homeless care providers and various governmental agencies. This comprehensive governance committee would consist of regional homeless providers, elected officials, representatives from Health and Human Services, business community members, and mental healthcare providers. The governance committee would be responsible for regional planning that would include setting long-term strategic regional goals and priorities

According to the San Diego Downtown Partnership’s Campaign to End Homelessness Downtown, Estimated annual costs associated with homeless Emergency Room visits, inpatient hospitalizations, and nights in jail is $36,624 per person.

This projects to approximately $38 million per year for the downtown unsheltered homeless population.

Research shows an average of **60% reduction in healthcare costs** after one year of housing with supportive services.

Permanent supportive housing costs approximately $27,000 per person per year in San Diego.

If unsheltered homeless individuals were provided permanent supportive housing, **millions of dollars of savings would be realized.**
for ending homelessness in San Diego, establishing and monitoring Department of Housing and Urban Development Continuum of Care and Emergency Service Grants project performance targets, and evaluating regional infrastructure organization performance annually. **As mayor, Faulconer will bring the City and County together to maximize scarce resources in the campaign to end homelessness.**

- **Create a regional database that accurately tracks available beds to more efficiently match homeless with the available shelter and housing.** The County of San Diego and City of San Diego are not in full compliance with federal regulations that require a functional data collection and tracking information management system to measure the success of federally funded programs aimed at reducing overall homelessness. Many improvements can be made to better track individual client data and the availability of shelter beds throughout the region to better manage available resources. Currently there is not a program in place that contains real-time information for all shelter beds located in the region. Additionally, there are limited options available for outreach workers to search a centralized database for beds based on the specific needs of an individual, such as their gender, disability or age. **As mayor, Faulconer will work with regional stakeholders to create an online database that more effectively tracks and matches available resources to San Diegans in need to more efficiently manage resources.**

- **Support measure to repurpose state funds to better serve veterans.** The Veterans Housing and Homeless Prevention Act (Assembly Bill 369), asks the California voters to reallocate $600 million from Proposition 12 bonds – approved by voters in 2008 – to create and preserve multifamily affordable and supportive housing for homeless veterans or those individuals at risk of losing their homes. More than $1 billion of voter-approved funding has been set aside for single family homes and farms, yet there is greater demand for multifamily, transitional and supportive housing to serve veterans during their critical transition period into civilian life. This measure will help San Diego and cities across the state more effectively address the housing needs of veterans. **As mayor, Faulconer will support this measure to provide supportive housing and assistance to veterans. This additional funding will allow cities to better leverage private investment to create additional affordable housing options.**

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5 In 2009, the McKinney-Vento Act, which regulated national homeless programs for the last 20 years was amended by the federal HEARTH Act. The HEARTH Act encourages Continuum of Care Agencies to improve their ability to collect and track regional data and measure the success of federally funded programs to reduce overall homelessness.
✓ **Get San Diego its fair share of federal homeless funding.** The federal funding formula used to calculate the amount of homeless grants San Diego is eligible to receive are in need of reform. In 2012, San Diego County ranked third highest in homeless population yet ranked 17th in the amount of funding for which the City is eligible to apply. The City should work with its federal delegation to make reforms to this funding formula a top priority. **As mayor, Faulconer will work with San Diego’s congressional delegation to make reforms to the homeless funding formula to better reflect San Diego’s needs.**

✓ **Build more permanent supportive housing units.** The City, Civic San Diego and the San Diego Housing Commission have made progress in addressing homelessness, and have allocated resources to create permanent supportive and transitional housing. **As mayor, Faulconer will continue to build on this successful collaboration with Civic San Diego to increase the availability of permanent supportive housing with the goal of housing the City’s chronically homeless population.**

✓ **Continue the Campaign to End Homelessness.** In 2009, the San Diego Downtown Partnership created a partnership among Civic San Diego, the County of San Diego, Office of Veterans Affairs, San Diego Housing Commission and United Way of San Diego County to create a multi-year plan to end homelessness downtown by connecting homeless with permanent supportive housing. The campaign is a part of the National 100,000 Homes Campaign that has housed over 50,000 people since July 2010 and is guided by a local Leadership Team with more than 60 members. **As mayor, Faulconer will continue to support and expand the Campaign to End Homelessness Downtown, which has placed over 200 individuals in permanent supportive housing since its launch in 2009.**

✓ **Expand the Neighborhood Prosecution Unit to help connect individuals to available rehabilitative programs.** The Neighborhood Prosecution Unit has been tremendously effective helping the police department handle quality of life crimes and is an important tool in addressing homelessness. Neighborhood prosecutors frequently help individuals connect with rehabilitative services and also work collaboratively with community members to create innovative strategies to help reduce crime. **As mayor, Faulconer will recommend an expansion of the Neighborhood Prosecution Unit to enhance access to rehabilitative services for individuals in need.**

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Connect hospitals with recuperative care units to provide a place for individuals in need to more cost effectively manage their medical recovery. As mayor, Faulconer will work to create collaborative relationships with local healthcare providers and homeless service providers to lower healthcare costs, reduce dependency on public resources, and better manage homeless healthcare needs. Medical conditions and injuries experienced by those living on the streets with limited access to preventative care can lead to unexpected hospital visits. These visits can be expensive for an individual who cannot afford to pay, which in turn creates a burden on taxpayers and healthcare providers. Because many homeless patients do not have stable housing to manage their care, many find the same patients are re-admitted. It can be more cost effective for both the healthcare provider and taxpayers if homeless individuals have a stable environment to manage their healthcare recovery to prevent extended or repeated hospital stays. As mayor, Faulconer will collaborate with private healthcare providers that have an economic incentive to reduce costs to fund recuperative care units like the one at the San Diego Rescue Mission, and in turn help homeless experience better health outcomes that set them up for success.

Conclusion

Kevin Faulconer's 3-point plan envisions a San Diego where an affordable housing option is within reach for every San Diegan. To achieve this reality, the next Mayor must have a renewed focus on improving housing affordability in multiple sectors of the economy. A reduction in burdensome regulations will drive down costs for average home prices and improve affordability for average San Diegans, while an energized campaign to more efficiently and cost effectively create affordable and permanent supportive housing for San Diego's most vulnerable populations will provide the hand-up necessary to create a better San Diego for all.