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Congress of the United States House of Representatives

> Juan Pargas 52nd District, California

COMMITTEE ON FINANCIAL SERVICES

SUBCOMMITTEE ON CAPITAL MARKETS

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SUBCOMMITTEE ON NATIONAL SECURITY, ILLICIT FINANCE, AND INTERNATIONAL FINANCIAL INSTITUTIONS

March 31, 2023

The Honorable Kay Granger Chair Committee on Appropriations U.S. House of Representatives Washington, DC 20515 The Honorable Rosa DeLauro Ranking Member Committee on Appropriations U.S. House of Representatives Washington, DC 20515

Dear Chair Granger and Ranking Member DeLauro:

I am requesting funding for the "University Avenue Densification Pilot Project" in fiscal year 2024, in the amount of \$2,000,000. The entity to receive the funding is the San Diego Housing Commission located at 1122 Broadway, Suite 300, San Diego, CA 92101.

This project will help complete the predevelopment work for the densification of the Casa Colina Phase I Project located in the historically disadvantaged community of City Heights. The Casa Colina Phase I Project will enable the densification of a parcel that is presently home to a 75-unit low-income senior affordable housing property. Constructed in 1975, the property is now functionally obsolete and underdeveloped relative to its allowable potential. To facilitate development of the site, the units in the property must first be replaced. An adjacent parcel owned by San Diego County will accommodate these replacement units in a new project, Casa Colina Phase 1, which will be developed in partnership between the County and San Diego Housing Commission (SDHC).

The City of San Diego has been working to increase density on publicly owned parcels to increase affordable housing development, especially close to transit. This project will allow for increased density on public agency owned parcels to increase the number of affordable housing units on site as part of this broader project. The funds will be utilized to fund project due diligence, design, and construction financing efforts, including required environmental studies, architecture, civil engineering, and financing application and permit fees.

This project is a good use of taxpayer resources because the project will preserve existing affordable housing, add to affordable housing stock, and explore the potential of mixed-income housing development. In addition, the densification pilot will provide an example of regional collaboration between government agencies and show the impact of strategically using public land for affordable housing. Critically, the site provides the opportunity for a proof of concept for an electric affordable housing development. As the site is in a Transit Priority Area (TPA), the development will reduce automobile congestion and increase the use of alternative methods of transportation.

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The project has a Federal nexus because the funding provided is for purposes authorized by 42 U.S.C. 5305(a)(2).

This project has received written support from SD City Mayor Todd Gloria, Chair of the SD County Board of Supervisors Nora Vargas, and SD City Council President pro Tempore Monica Montgomery Steppe.

I certify that I have no financial interest in this project, and neither does anyone in my immediate family.

Sincerely, Vorges JUAN VARGAS Member of Congress