CONSENT

Agenda Item #5a-i

Oct. 28, 2026

Subject: Increased Funding to Tribal Housing and Capacity Building Initiative

Reporting Period: October 2026

Staff Lead: Amar Cid, Deputy Director of Community Investments and Infrastructure
Hoi-Fei Mok, Deputy Director of Equity and Government Transformation

Recommended Action

Approve $66.8 million expenditure from already accumulated Affordable Housing and Sustainable Communities Program's (AHSC) continuous appropriation funds to support technical assistance and capacity building activities for tribes and tribal entities interested in affordable housing and related projects that implement land use, housing, transportation, and agricultural land preservation practices that support infill and compact development. This would increase the originally approved $30 million to $66.8 million, with potential to add more technical assistance and program administration up to $70 million total funding, utilizing a combination of disencumbered funds and continuously appropriated funds from Fiscal Year 2024-25 and 2025-26 for the AHSC program.

Summary

The lack of affordable housing across California is a matter of vital statewide importance, as noted in the CA Executive Order N-06-19. Native American communities continue to face some of the most severe housing shortages in the state, and the number of Indigenous Californians who are unhoused or experiencing homelessness is two times that of the general population. As demonstrated by CA Executive Order N-15-19, the administration is committed to addressing the disparities for tribal communities. In line with these executive orders, the Strategic Growth Council (SGC) is dedicated to enhancing affordable housing and related projects that implement land use, housing, transportation, and agricultural land preservation practices to support infill and compact development for tribal communities via the AHSC Program.

Since Round 5, the AHSC program guidelines have included targeted funding for tribal entities. The Council has awarded a total of $47,953,555 to three tribe-affiliated projects to date: $11,447,114 to Arcata 30th Street Commons in Round 5; $16,540,259 to Cascade Village (formally known as *Shasta Lake Downtown Revitalization*) in Round 6; and $19,966,182 to Kashia Windsor Housing in Round 7. However, in Round 8 and 9, despite strong support from state-funded application technical assistance providers, multiple tribal applicants ultimately decided *not* to submit an application due to limited capacity, and no tribal project applied for funding in that round.

California Native American Tribes encounter unique challenges in securing and implementing affordable housing investments. It is imperative that the state continue to reduce barriers and

provide capacity building support to California tribes and tribal communities in accessing state funding. Expanding housing opportunities and solving the affordable housing crisis will require a new level of innovation and cooperation.

In April, 2025, the Council committed $30 million in funding, using accumulated AHSC funds (*a combination of disencumbered funds from previous AHSC rounds and/or 2024-25 and 2025-26 fiscal years*) to support the development and planning of tribal housing projects across the state, including funding training, technical assistance, and direct support to tribal entities. These strategies enable tribal entities to be competitive for state affordable housing programs, including AHSC, Tribal Homekey+, other state housing programs, and/or funds available through the Tribal Housing Grant Program Trust Fund. These efforts align with the SGC's 2024-2027 Strategic Plan, specifically Council Priority 2 on capacity building, and CA Executive Order N-06-19, noted above.

Need for Additional Investments

Although $30 million was allocated in the initial proposal, both programs were significantly oversubscribed, with the volume of high-quality proposals vastly exceeding the available budget. Across both programs in the initiative, the SGC received 117 applications from more than 80 tribes across California. More than 40% of all tribes in California applied to one or both programs. The total funding requested exceeded $170 million and has the potential to benefit more than 70,000 tribal members. Applicants varied significantly in size, ranging from six to 6,500 enrolled tribal members. Several tribes reported having little to no paid staff members, underscoring the capacity constraints many tribes face in pursuing funding opportunities.

The proposed additional investment will support the foundational funding and assistance necessary to support future affordable housing growth and sustainable community development. These investments will enhance, expand, or maximize the public benefit of existing transportation, climate, utility, affordable housing, and community-serving infrastructure assets. As described in more detail below, staff's Key Informant Interviews, tribal engagement, and previous experience providing technical assistance and support to tribes has made clear the need for significant investment in tribal housing production. Both programs are significantly oversubscribed with highly scored applications. The Tribal Capacity Building Program received 61 applications, and current funding would allow staff to only make 12 awards, less than 20% of the total funds requested ($25 million). The Tribal Housing Pre-Development Fund received 56 applications, and current funding would allow staff to only make 8 awards, 13.5% of the total funds requested ($148 million).

Therefore, staff recommends increasing the originally approved $30 million to $66.8 million with the potential to add more technical assistance and program administration up to $70 million total funding, utilizing a combination of disencumbered funds and continuously appropriated funds from FY24-25 and FY25-26 for the AHSC program.

Impacts of Additional Funds for Tribal Capacity Building Program, Round 2:

Funding requests for TCBP totaled approximately $25 million. The program received 61 applications from 43 federally recognized and 15 non-federally recognized California Native American tribes and three from Tribally Designated Housing Entities (TDHE). Nearly all applicants requested the maximum amount of funding. The applications varied across focus areas that include, but are not limited to, the following: affordable housing; aquaculture, habitat, and watershed restoration; cultural burning; invasive species removal; land-back and rematriation; land stewardship; native tree planting and plant propagation; and youth education and outreach. Applications came from all regions of the state. The average amount requested was $409,705.94.

The previously allocated funding for this round would support 12 grantees, benefitting more than 5,500 tribal members. The additional funding would allow SGC to fund 21 grantees, benefitting nearly 13,000 tribal members. With the additional funding, SGC would award 21 applications across seven regions of the state, including: Central Coast, Coastal Southern California, Inland Southern California, North State and Sierras, San Diego Area, San Francisco Bay Area, and the San Joaquin Valley. Approximately 28% of federally recognized tribes, 53% of non-federally recognized tribes, and 33% of Tribally Designated Housing Entities that applied would be awarded.

Impacts of Additional Funds for the Tribal Housing Pre-Development Fund:

The allocation of additional funding for the Tribal Housing and Capacity Building Initiative significantly expands the impact, regional distribution of funds, and potential for future investments in tribal communities. Funding requests for the THPDF totaled $148 million. The program received 56 applications in total. A total of 35 federally recognized tribes, 10 non-federally recognized tribes, and 11 Tribally Designated Housing Entities applied. Many applicants were from the North State and Sierras region, followed by Inland Southern California, the San Joaquin Valley, and the Central Coast regions. On average, applicants requested $2.6 million dollars with the goal of supporting 47 housing units.

The previously allocated funding for this round would support eight projects, with impacts of 9,305 tribal members and estimated 387 housing units in three (3) regions. Additional funding to this program would support a total of 22,524 tribal members and estimated 900 housing units in four (4) of the eight (8 regions). The THPDF didn't receive any applications from Coastal Southern California. The Central Coast, San Joaquin Valley, and Sacramento area regions submitted the fewest applications, and projects from these regions did not make the final recommendation for award list. With the additional funding, the SGC would award 19 applications across four regions, including Inland Southern California, North State and Sierras, San Diego Area, and San Francisco Bay Area. Approximately 38% of federally recognized tribes

that applied would be awarded, 10% of non-federally recognized tribes that applied would be awarded, and 42% of Tribally Designated Housing Entities that applied would be awarded.

Background

AHSC Program Objectives

As established under SB 862, SGC is required to develop and administer the AHSC Program, continuously appropriating 20 percent of the annual proceeds of the Greenhouse Gas Reduction Fund for the program.

AHSC program awards lead to a reduction in greenhouse gas emissions through projects that implement land use, housing, transportation and agricultural land preservation practices to support infill and compact development, and that support related and coordinated public policy objectives, including the following:

- Reducing air pollution
- Improving conditions in disadvantaged communities
- Supporting or improving public health and other co-benefits
- Improving connectivity and accessibility to jobs, housing and services.
- Increasing options for mobility, including the implementation of the Active Transportation Program established pursuant to Section 2380 of the Streets and Highways Code
- Increasing transit ridership
- Preserving and developing affordable housing for lower-income households

The AHSC Program encompasses project goals that extend beyond project scores, addressing various criteria. Below is a summary of these goals for projects.

- Statutory Requirement: Housing Funds. A minimum of 50% of the total AHSC Program expenditures must be dedicated to affordable housing.
- Statutory Requirement: Disadvantaged Communities. A minimum of 50% of total AHSC Program expenditures must also be invested to benefit Disadvantaged Communities, as identified by CalEnviroScreen 4.0.
- Council Goal: Project Area Type. Ensure a minimum Notice of Funding Availability (NOFA) amount is awarded to each project area type [35 percent Transit-Oriented Developments (TOD), 35 percent Integrated Connectivity Projects (ICP), and 10 percent Rural Innovation Project Areas (RIPA)].
- Council Goal: Geographic. Ensure at least one project is awarded in each of the eight geographic regions identified by the Council.
- Council Goal: Tribal. Ensure that at least one project is awarded to a tribal entity.

SGC's History of Providing Capacity Building and Technical Assistance

In addition to the affordable housing appropriations to SGC, between 2016 and 2019, the California State Legislature appropriated a total of $6.5 million to SGC for technical assistance for California Climate Investments programs. This funding enabled staff to work with partner agencies to develop and administer technical assistance initiatives across 12 CCI programs, including those administered by California State Transportation Agency (CalSTA), Caltrans, California Air Resources Board (CARB), California Department of Food and Agriculture (CDFA), California Department of Community Services and Development (CSD), and SGC. These initiatives were developed in response to substantial community input that capacity building and technical assistance are essential to ensure that the state meets its SB 535 mandate and that California's investments benefit all Californians. Through this work, SGC has become a state leader in developing technical assistance for its own programs (AHSC, Transformative Climate Communities, Community Resilience Centers, Regional Climate Collaboratives, etc.) and is leading a whole-of-government approach to prioritize capacity building through its Council Priority 2. SGC's leadership is particularly demonstrated in the development of the Statewide Technical Assistance Toolkit to help other state agencies create effective technical assistance and capacity building programs and make funding more accessible, especially to underserved communities.

In recognition of the success of these efforts, the Council opted to expand SGC's technical assistance and capacity building portfolio in 2018 by allocating $5 million from the AHSC continuous appropriation to assist California communities with developing projects that align with AHSC's statutory goals to *"implement land use, housing, transportation and agricultural land preservation practices to support infill and compact development."* (Pub. Res. Code § 75200). This appropriation funded additional assistance for applicants to AHSC, Sustainable Agricultural Lands Conservation, and CDFA's Climate Smart Agriculture Programs, in addition to developing upstream capacity building programs like SGC's Partners Advancing Climate Equity (PACE) and Build Organize Optimize Strengthen Transform (BOOST) programs.

In 2020, the Council approved an additional allocation of $2 million from AHSC funds to continue supporting SGC's Technical Assistance and capacity building activities. This funding enabled SGC to provide application assistance for SGC and partner agencies' programs, and to develop the Tribal Capacity Building Pilot Program.

After eight years of providing technical assistance, capacity building services and programming, SGC developed the Tribal Capacity Building Pilot Program in response to consistent feedback from tribes that their sovereign status and historical relationship with the State of California necessitate a dedicated capacity building program. The program is designed to help build long-term tribal staff capacity to advance tribal-led climate projects, including those focused on housing, land use, transportation and agricultural land preservation. SGC developed the program based on a year of robust public outreach, engagement and research.

Need to Expand Tribal-Specific Technical Assistance

Capacity building to access state housing funds is among the top priorities that tribes have shared with SGC through public comment and tribal consultations. While tribal applicants were interested in AHSC in Round 8, none applied, despite significant efforts with state-funded technical assistance for applicants. This suggests that a more comprehensive, tribal-specific technical assistance program is necessary, particularly for tribal applicants at the project planning or pre-development stage. Most tribes do not have a project ready for AHSC or other housing programs and require funding to build staff capacity and expertise in housing, as well as pre-development funding (including site assessment, acquisition, design, and utilities). Capacity building and flexible state funding programs were identified as top priorities in SGC's tribal engagement. The Tribal Capacity Building Pilot Program included 19 key informational interviews, six workshops, two Tribal Consultations, and seven in-person and virtual tribal events. For the AHSC program, this included multiple rounds of tribal-specific workshops, technical assistance feedback letters, public testimony, attendance at the California Coalition for Rural Housing Tribal Roundtable, and more.

While tribal housing programs such as Tribal Homekey+ exist, and the Tribal Housing Grant Program Trust Fund is under development, established under the Tribal Housing Reconstitution and Resiliency Act SB 1187, AHSC is the largest continuously appropriated housing fund at the state and is a critical resource for addressing California's housing crisis. However, tribal entities have difficulty accessing the program. While the current AHSC Technical Assistance program focuses on application readiness and conducts some capacity building with tribes, the primary focus is on preparing individual projects for each upcoming round. Therefore, it is not sufficient for the longer-term support and upstream planning required by our tribal partners. Many tribes have limited or no staff capacity with housing experience and are unlikely to have a project at a stage that the current AHSC technical assistance program can support. Expanding SGC's tribal capacity will position tribes to have projects ready to address their housing needs and prepare to apply for AHSC tribal support.

Furthering Technical Assistance and Capacity Building

Given the AHSC Round 8 and 9 tribal funding goals ($100 million in total) was not achieved, staff recommend approving an expenditure of additional funding from already accumulated AHSC continuous appropriation funds *(a combination of disencumbered funds from previous AHSC rounds and/or 24-25 and 25-26 funding years)* to provide Technical Assistance and capacity building for tribal entities interested in funding for affordable housing and related projects. The enabling statute for AHSC requires the program to "reduce greenhouse gas emissions through projects that implement land use, housing, transportation and agricultural land preservation practices to support infill and compact development" (Pub. Res. Code § 75200). These funds will provide more foundational capacity building and pre-development support necessary to set tribes up for success and expand access to state housing programs to a broader spectrum of tribes and tribal communities. Upon approval of this expenditure, SGC

directed funds to technical assistance and capacity building initiatives that cover pre-development costs for tribal housing projects. This includes reducing greenhouse gas emissions and vehicle miles traveled through mobility solutions designed by tribal communities, as well as improving conditions within those communities. The technical assistance projects funded through this expenditure align with the AHSC statute and support objectives related to sustainable community planning.

Tribal Housing and Capacity Building Initiative Goals

To address the unique and specific needs of California Native American Tribes and ensure the most constructive use of these funds, engaged with tribes, tribal communities, and tribal-serving organizations and partners to create responsive, culturally appropriate, and effective tribal grant programs. Staff incorporated the lessons learned from the Tribal Capacity Building Program pilot round, outlining the following goals:

- **Housing Project Development**: Technical assistance and project development funds for soft costs such as site assessments, design and permitting, for tribal applicants interested in housing projects
- **Pre-Development Infrastructure:** funding for physical infrastructure such as broadband, sewer, water, electricity or transportation to support housing project readiness
- **Tribal Capacity Building**: Foundational capacity building specific to California Native American Tribes through funding for recruitment and retention of tribal staff and consultants, as well as training, engagement and partnership development and other associated tasks. Given the unique challenges faced by tribal communities in competing for funding, this technical assistance approach focuses on working in partnership with Tribal governments and communities to advance priority projects.
- **Increase Access to State Affordable Housing Programs:** including AHSC, Tribal Homekey+, and/or programs established under the Tribal Housing Grant Program Trust Fund and provide capacity building support to tribal entities

Next Steps

Upon approval, the allocation of $66.8 million, with potential to add more technical assistance and program administration costs up to $70 million total funding, would have the potential to more than double awards for the Tribal Housing Pre-development Fund and the Tribal Capacity Building Program Round 2.

Council Recommendation

Should the Council agree with staff's recommendation, the following motion language is suggested:

"I move that the Council adopt CALIFORNIA STRATEGIC GROWTH COUNCIL RESOLUTION 26-02 to increase funding to $66.8 million expenditure, with potential to add technical assistance and program administration costs funds up to $70 million, from already accumulated Affordable Housing and Sustainable Communities Program's (AHSC) continuous appropriation and disencumbered funds from Fiscal Years 2024-25 and 2025-26 to further support housing pre-development, technical assistance, and capacity building activities for the Tribal Housing and Capacity Building Initiative."

Attachments

Attachment A: SGC RESOLUTION 26-02