

INFORMATIONAL REPORT

DATE ISSUED: March 5, 2009
REPORT NO: HCR09 - 012
SUBJECT: Activity Performance Report – Second Quarter FY 2009 (Citywide)

NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION

SUMMARY

This report includes a description of goals and performance information for the period October 1, 2008 through December 31, 2008. In addition to the key performance indicators described herein, (Attachment 1, Activity Performance Report), there were other achievements not easily described in statistical terms that are pertinent to the agency's Business Plan and goals and are outlined in this Report.

Following are the five (5) Business Plan Goals for FY 2009 – 2011

1. Continue to be the leading provider of affordable housing opportunities for lower income families and individuals in the City of San Diego.
2. Achieve financial independence and economic stability through the application of private sector business practices within the context that the agency's highest priority is to provide homes at below-market rates for those who can least afford it.
3. Become the regional housing leader, expert and authority in initiating and implementing new, progressive solutions to San Diego's affordable housing needs.
4. Provide a positive customer experience through the seamless, efficient and professional delivery of our products, programs and services.
5. Become an employer of choice in San Diego.

AGENCY HIGHLIGHTS

San Diego Community Introduced to Rick Gentry

Since coming on board as SDHC's President & CEO on Sept. 19, Rick Gentry has made it a priority to get to know Commissioners, staff, elected officials, community and business leaders, as well as members of the news media.

Outreach activities have included serving as the keynote speaker at the San Diego Housing Federation annual conference and as a speaker at the Dawson Senior Apartments grand opening. He also participated with Mayor Jerry Sanders and SDHC Chair Sal Salas in two press conferences announcing HUD funding for the Neighborhood Stabilization Program. Additionally, he served as news media spokesperson on numerous topics – including overall plans for the SDHC agency, recent agency achievements, and efforts to expand affordable housing resources.

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SDHC Wins Top NAHRO Awards

At its fall conference, the National Association of Housing & Redevelopment Officials presented SDHC with three Awards of Excellence. These were for: SDHC's Public Housing transition, Money Moves Youth financial education program, and Renaissance North Park.

Additionally, Rick Gentry received NAHRO's John D. Lange International Award in acknowledgement of his global contributions to the affordable housing arena.

Quarterly Employee Meetings Launched

An all-employee meeting was held in December. Designed to help keep staff informed of agency and department news and achievements, it was the first of an ongoing series of quarterly meetings that Rick Gentry will be having with employees.

Foreclosure Resource Web Page

Staff from Policy & Public Affairs and from Business Services' Information Technology unit created a web page resource as a public service for residents impacted by the foreclosure crisis. The web page contains a guide for avoiding foreclosure along with listings of organizations that offer counseling services and other resources. The web address is: www.foreclosuresandiego.org.

HOUSING FINANCE

HUD Awards \$7 Million for Lead Paint Safety

HUD awarded \$7 million for the City's Lead Safe San Diego Program, which is administered by the Housing Commission. The funding will expand resources for helping protect families from lead paint hazards – with the three-year goal of eliminating lead hazards in over 516 residences built before 1978. Starting in March, grants ranging from \$5,000 to \$10,000 per unit will be available for owner-occupied and rental housing. Eligibility for the program will be based on family size and income, and targets homes that include children under the age of six.

Groundbreaking Held for Dawson Senior Apartments

Developers Chelsea Investment Corp. and Housing Development Partners recently held a groundbreaking ceremony to mark the start of construction of the City Heights apartment complex - which will serve very low-income seniors and persons with disabilities. SDHC invested \$7.8 million in the purchase and the construction of the 88-unit affordable rental development.

The Cove Apartments Completed

Renovations were recently completed on the Cove Apartments, and residents have moved in. Developed by The Association for Community Housing Solutions (TACHS) with \$1.1 million from SDHC, the 20-unit apartment complex provides supportive housing to very-low income, formerly homeless adults with mental disabilities.

Located in Talmadge, the u-shaped, two-story structure was constructed in 1958 as an annex to a motel. Last year, TACHS purchased and extensively rehabilitated the aging property.

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RENTAL ASSISTANCE / POLICY & PUBLIC AFFAIRS

SDHC Staff Participates in Project Homeless Connect

Staff from the Rental Assistance Program and Policy & Public Affairs participated in 2008 Project Homeless Connect, held at Golden Hall. Organized by the Regional Task Force on the Homeless, the annual event helps connect homeless individuals to needed services in a single location. Over 750 participants attended and gained access to resources in areas such as housing, medical, mental health, clothing, legal aid, food, hair cuts, hygiene items, and child care.

SDHC's Rental Owner Newsletter Wins Award

The Public Relations Society of America (PRSA) San Diego Chapter bestowed a Mark of Excellence Award to SDHC's Communications unit and the Rental Assistance Program for the newly redesigned *Voucher Advantage* newsletter. The quarterly publication is distributed to the 6,000-plus rental owners and property managers participating in SDHC's Rental Assistance Program.

The PRSA award recognized the redesigned newsletter's professional and streamlined design – as well as how the editorial content focuses on helping both SDHC and landlords achieve their respective business objectives.

POLICY & PUBLIC AFFAIRS

SDHC in the News

In the second quarter, the Housing Commission was mentioned in 35 news features (print and broadcast). Of these, 30 positively relayed agency achievements and activities and five were neutral.

The subjects of the positive news features included: Rick Gentry joining SDHC as President & CEO, SDHC's Neighborhood Stabilization Program proposal, Dawson Senior Apartments groundbreaking, NAHRO Awards of Excellence, NAHRO John D. Lange award (Rick Gentry), Rick Gentry named Metro Mover, and HUD's allocation of \$7 million for lead safety program.

ASSET MANAGEMENT

Outstanding Risk Control Efforts Cited

SDHC won an Outstanding Risk Control Program award from the Housing Authority Insurance Group (HAIG). As stated in a letter to SDHC from HAIG: "Your achievements...are a reflection of your staff's efforts, dedication and concerns toward achieving the mission of safe, decent and sanitary housing. The continued interest of your staff to improve risk management is valuable as we enhance our ability to provide safe conditions at our member housing authorities."

FINANCIAL SERVICES

Audit Report

The financial report was provided to the Board of Commissioners on February 20, 2009 and will be presented to the City Audit Committee in April 2009. There were no audit findings in this report.

Investment Portfolio

The Commission continues to realize our forecasted increase in the overall performance of the portfolio during the second quarter of this fiscal year. Working closely with the investment advisor and implementing changes in investment strategies has kept returns in the 3 to 4% range. The Commission continues to convert the majority of our Certificates of Deposits (CDs) as they mature into government bonds and still follow the general objectives of the Commission investment policies, since bonds provide a higher level of safety, liquidity and yields over the CDs. We continue to use forward thinking in our strategies and are ready to discuss new investment opportunities when available with the Investment Committee and if approved, incorporate into the portfolio.

BUSINESS SERVICES

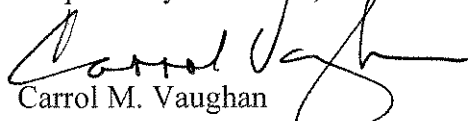
Classification and Compensation Study

SDHC has undertaken a comprehensive, agency-wide classification and compensation study analysis. This study – which is a review of SDHC practices in regard to how they compare to the labor and employment markets – is being conducted by a consultant firm, Koff & Associates, Inc. Phase I (classification analysis) began in December. This phase included employee orientation meetings, distribution and completion of employee questionnaires, employee interviews and classification development recommendations.

Outreach Efforts

Business Services staff participated in various activities to encourage and educate vendors, contractors and consultants on how to do business with the SDHC. Outreach events included the San Diego County Water Authority Paths to Partnerships. The annual forum provides the opportunity for small businesses to establish relationships with government agencies, contractors, consultants, vendors and suppliers in the water industry.

Respectfully submitted,



Carrol M. Vaughan
Executive Vice President &
Chief Operating Officer

Attachment 1: Activity Performance Report

ACTIVITY PERFORMANCE REPORT FY09

Activity: Goal	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Comments
Rental Assistance: Assist 13,780 families. ¹	Total: 13,854	Total: 13,769			Q 1: Voucher Utilization rate for July – September was 100.5% Q2 : Voucher Utilization rate for October – December 100%
Rehabilitation/Owner Occupied: Provide financial assistance in the rehabilitation of 259 owner occupied residences consisting of: a. Deferred loans to 160 LI, VLI, and moderate single-family homeowners. b. Grants for 70 VLI mobile home owners. <i>Lead-based paint reduction grants for 29 single-family owner-occupied homes.</i>	SFR Def Loans: 12 Mobil Home Grants: 26 Lead Paint Grants: 1	SFR Def Loans: 10 Mobil Home Grants: 25 Lead Paint Grants: 1			To date: SFR Def Loans: 22 Mobil Home Grants: 51 Lead Paint Grants: 2 Total: 75
Rehabilitation/Rental Housing: Provide lead-based paint reduction grants for 87 rental housing units.	21	20			41 to date
Rehabilitation/Rental Housing: Provide Accessibility Modification Grants to 15 Tenants with Disabilities.	7 Tenants served	8 Tenants served			15 to date
Major Renovations: \$2,984,080 budgeted to complete Capital Improvements at Commission owned and managed units	\$207,691	\$1,321,797			Q1: Represents 7% of FY 09 budget. Reporting is based on percentage of budget utilized during the FY. Fiscal Year Goals reflect budget revision 9 Q2 : Represents 33% of FY 09 goal
Rental Development: Create or preserve 600 rental units through financing (new construction, acquisition, acquisition with rehabilitation) of 600 affordable units ² at/below 60%AMI	Starts: 76 Units, Golden Age Garden Apts 112 Units, Arbor Village Loan Closings 0 Completions 0	Starts: 93 units, Village Green Apts. Loan Closing: 88 units, Dawson Ave. Seniors			Q1: 188 starts Q2: 93 starts 88 loan closings
Rental Development: Project Management support for 1,000 units in development	763 units supported this quarter	763 units continued support this quarter			763 units to date
Homeownership: Underwrite process and fund 80 first-time homebuyers ³ , loan and grants.	MCC's=19 DP/Closing Cost Asst Grant= 23 Affordability Restricted 3% = 6 Deferred Loans =16	MCC's=9 DP/Closing Cost Asst Grant= 34 Affordability Restricted 3%= 4 Deferred Loans =24			Assisted 66 first-time homebuyers with the purchase of their home by providing 28 Mortgage Credit Certificates, 40 FTHB Deferred loans, 10 Affordability Restrict 3% Deferred loans and 57 Down Payment/Closing Cost Assistance grants to date.
Special Purpose Housing: Provide a minimum of 50 temporary tenant-based rental assistant vouchers to graduates of transitional housing and domestic violence programs.	Provided Home Tenant Based Rental assistance for 30 units of permanent supportive housing for victims of domestic violence.	Provided Home Tenant Based Rental assistant for 20 units of permanent supportive housing for victims of domestic violence			50 units to date

ACTIVITY PERFORMANCE REPORT FY09

Attachment 1

<p>Special Purpose Housing: Fund the development of at least two 20-bed special purpose housing facilities</p>	<p><u>Starts:</u> 34 Units, Townspeople 34th Street</p> <p><u>Completions:</u> 20 units, TACHS/The Cove-Homeless & Mentally Ill Housing</p>	<p><u>Starts:</u> 5 Units, Townspeople 34th Street</p> <p><u>Completions:</u> 0</p>		<p>39 units started to date 20 units completed to date</p>
<p>Special Purpose Housing: Provide a minimum of 200 units of permanent supportive housing for 225 homeless, disabled individuals and families</p>	<p>Provided rental assistance for 224 units of permanent supportive housing</p>	<p>Provided rental assistance for 224 units of permanent supportive housing</p>		<p>224 units to date</p>
<p>Workforce & Economic Development</p> <ul style="list-style-type: none"> To assist SDHC tenants in gaining self-sufficiency and financial stability through workforce development and asset building. 500 participants to be served. To provide programs support services and access to community resources in Economic Development Academies located in easily accessible, central locations. 	<p>472 services at 4 sites. 586 participants. 32 Enrollments and 4 FSS graduates. Escrow savings over \$16,346. 116 financial education, savings deposits of over \$44,401 35 homeownership education Services to senior / disabled included: 251 referrals and supportive services. 69 transportation services and 84 mobile health clinic services. A daily hot lunch program is also provided.</p>	<p>944 mobile medical services at 4 sites. 629 FSS participants. 43 Enrollments and 5 FSS graduates. Escrow savings over \$17,684. 125 financial education, savings deposits of over \$57,540 79 homeownership education Services to senior / disabled included: 1,393 referrals and supportive services. 552 transportation services and 156 mobile health clinic services. A daily hot lunch program is also provided.</p>		<p>629 participants served and 1,393 referrals and supportive services to date</p>

ACTIVITY PERFORMANCE REPORT FY09

Attachment 1

<p>Workforce & Economic Development <i>Maintain funding and supportive resources for existing programs through grant applications and partnerships.</i></p> <p><i>Actively pursue federal and local funding from government agencies and private and corporate foundations.</i></p>	<p>Received two grants from HUD: \$396,000 funding (HCV) Coordinators and \$300,000 funding for Neighborhood Networks. Received \$150,000 from Health & Human Services (HHS) to fund the AFI Program (Federal Match) and \$105,000 from United Way and Union Bank to fund the AFI Program (Non-Federal Match).</p>	<p>Proposal to United Way to fund a Youth IDA Program. Partnered with CHW on United Way On-site Company Financial Education proposal. Secured tax preparation services on-site through Home Start. Hosted a Smart \$ Reinvestment Workshop for Citi. Secured participation in 2 national conference calls/webinars.</p>	
<p>Property Management</p> <ul style="list-style-type: none"> Own/Manage/Maintain, 1782 units.⁵ Maintain 95% occupancy rate.⁶ 1572 Local units 112 State units 36 Public Housing units 	<p>94% Occupancy Local units 100% Occupancy State units 100% Occupancy Public Housing units</p>	<p>95% Occupancy Local units 99% Occupancy State units 100% Occupancy Public Housing units</p>	
<ul style="list-style-type: none"> Maintain 95 to 99% Collection Rate for 1,782 units, available for occupancy 	<p>94% Local 97% State 100% Public Housing</p>	<p>100% Local 100% State 87% Public Housing</p>	

Note 1: All data shown is incremental for the reporting quarter only, unless otherwise indicated.

¹ "Rental Assistance" includes all tenant-based and project-based rental housing assistance administered by the San Diego Housing Commission, including Section 8 (Vouchers, New Construction, and Moderate Rehabilitation). Project-based and sponsor-based assistance for persons with special needs is reported under Special Purpose Programs, below.

² "Rental Development" includes newly affordable housing units with enforceable rental restrictions constructed, acquired and/or acquired and rehabilitated, and extension of affordability restrictions that would otherwise be terminated. Goal reflects only units utilizing direct HC loans. Starts include projects for which a financing mechanism was approved by the appropriate authority. Completion is when authority is received to occupy the units or equivalent. Recent experience shows that for each 10 units started, about 6 units are completed, with the balance of the projects being canceled.

³ "Homeowners" includes newly developed for-sale units and first-time homebuyers receiving assistance in acquiring a home using one or more of the tools administered by the San Diego Housing Commission. Each first-time homebuyer may receive more than one form of assistance (e.g., down payment grant plus shared equity loan). Completion is defined as the point when the homebuyer assumes title, except when the only form of assistance in issuance of a Mortgage Credit Certificate (MCC); completion of MCC-only is defined as the point when the MCC is issued, which may be later than close of escrow and assumption of title.

⁴ "Workforce & Economic Development" includes families resident in publicly owned affordable housing or receiving rental assistance enrolled in family self-sufficiency programs administered by the San Diego Housing Commission.

⁵ "Property Management" includes all housing units owned, managed or maintained by the San Diego Housing Commission.

ACTIVITY PERFORMANCE REPORT FY09

Attachment 1

6 "Occupancy Rate" reflect all units managed by the agency.

Rental Housing Production
 NOFA Funding
 Rental \$28,985,450
 Special Purpose Housing \$1,000,000

	Developer	Unit Count	Type	Status
Village Green	Wakeland	92	Acq/Rehab	Pending bond allocation
34th Street	Townscope	34	Acq/Rehab	Pending other funding sources
Arbor Village	LINC	112	Acq/Rehab	Pending other funding sources
Arbor Crest	CHW	83	New Construct	Pending other funding sources
Balance Available:				14,166,941
Projects in the Pipeline:				
	Special purpose			(1,500,000)
	Special purpose			(1,500,000)
	Special purpose			(6,000,000)
Possible Projects:				
	Family			(4,000,000)
	Family			(4,000,000)
				(2,833,059)
Budget Balance:				

No changes for 2nd quarter