



INFORMATIONAL REPORT

DATE ISSUED: February 1, 2007
REPORT NO: HCR 07-10
SUBJECT: Activity Performance Report – Second Quarter FY 2007 (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 September 1, 2006 through December 31, 2006. In addition to the key performance measures described herein, (Attachment 1, Activity Performance Report), there were other achievements not easily described in statistical terms that are pertinent to the agency's activities and goals.

Agency Highlights

Agency moves to Smart Corner

On December 22, 2006, the Housing Commission officially closed its doors at the central operation on 1625 Newton Ave. and two satellite offices, Ridgehaven and Gateway. On January 3, 2007 it opened its new offices at Smart Corner, a mixed-use development at 1122 Broadway. The move went smoothly, and the project was completed on time and on budget. The new offices offer a professional and dignified atmosphere for clients, with amenities such as private client interview rooms and full ADA accessibility. By combining three separate office locations into one, the agency is also benefiting from improved collaboration, communication and coordination among employees. As Smart Corner is a transit-oriented development, clients are able to easily access the new offices by trolley or bus, and to date about 65 employees have opted to take public transportation to work.

Starting a new year with a new look

The start of a new year in a new office building was a timely opportunity to update the Housing Commission's logo and colors. The new logo is familiar as it builds on the theme of the former logo – that of serving people by providing affordable housing. However, the new logo is modern, professional and streamlined, much like the agency's new environment at Smart Corner. The green and beige colors reflect the "green" attributes of an environmentally friendly office building. In summary, the Housing Commission has a new home and a new logo, but the agency's core mission remains the same as it heads into a new era.

Housing, Finance & Development

Talmadge Senior Village debuts

Together with Mayor Jerry Sanders, Councilmember Toni Atkins and other supporters, the Housing Commission celebrated the grand opening of Talmadge Senior Village.

The mixed-use development offers 90 units of affordable rental housing for seniors as well as space for commercial and community organizations serving seniors. It was developed by Southern California Housing Development Corp. with \$1.9 million in funding from the Housing Commission and \$5.3 million from the Redevelopment Agency. Additionally, the Commission owns the land and leases it to the developer. This arrangement helps increase the likelihood that the restricted units remain affordable even after the initial 55-year term expires.

The project was highlighted in the League of California Cities', and San Diego Housing Federation's newsletters, *The San Diego Union-Tribune* and KUSI.

McKinney Manor Wins National Award

The National Association of Local Housing Finance Agencies honored the Housing Commission with a HOME award for helping create Jean C. McKinney Manor. Located in Encanto, the 50-unit complex was developed by St. Stephens Church and The Related Companies with \$927,000 from the Housing Commission. The development replaced a blighted area with new, much-needed affordable housing and support services for seniors.

Housing Policy

Tentative Ruling on Hotel Churchill

On December 1, 2006, the Honorable Ronald S. Prager issued a tentative ruling in favor of the Housing Commission's principal argument in the lawsuit against the Hotel Churchill. The judge ruled that the closing of the Hotel Churchill constitutes a conversion, thus obligating the hotel owner to comply with the terms of the City of San Diego's Single Room Occupancy ordinance. The case will now proceed toward trial, at which time the judge will decide the amount of relocation benefits due to each of the Churchill's former residents and how much replacement housing the owner of the hotel must provide.

Housing Commission helps fund Winter Shelter

The Housing Commission provided \$445,000 for the City's FY07 homeless emergency shelter program. The program consists of two winter shelter programs for adults (200 beds for single adults and 150 beds for veteran males), as well as a year-round shelter serving 50 families.

The Housing Commission has provided the bulk of the funding for this program for the past 16 years. That was not to be the case this year due to budget constraints compounded by changes in HUD regulations. Consequently, for the first time ever, the Housing Authority had approved the Commission's FY07 budget without an allocation of funds for the winter shelter.

Ultimately, however, the City was unable to identify any other funding source and turned to the Housing Commission. In response, the Commission – with Housing Authority approval– provided last-minute funding to allow the shelter program to open on time. As a result, the agency’s reserve fund was diminished. To address that problem, and to prepare for next year, the City has expressed a commitment to seek other funding in the future.


FY05-FY09 Housing Element Approval


On December 6, 2006, San Diego City Council approved the Fiscal Years 2005-2010 Housing Element. The Housing Element is one of seven elements of the City of San Diego’s Progress Guide and General Plan mandated by state law. The Housing Element is intended to identify and analyze the city’s housing needs; establish reasonable goals, objectives, and policies based on those needs; and set forth a comprehensive five-year program of actions to achieve the identified goals. The City’s Department of City Planning and Community Investment assumes the primary responsibility for Housing Element preparation and reporting. However, the Housing Commission is instrumental in providing data, recommending affordable housing goals, and implementing policies set forth in the Element.

During the City Council hearing, the Housing Element was challenged by The Affordable Housing Coalition (AHC) of San Diego County and Citizens for Responsible Equitable Environmental Development (CREED) on the basis of non-compliance with the California Environmental Quality Act (CEQA) and State Housing Element Law. The City Attorney’s office issued an opinion in agreement with the AHC and CREED’s challenge and opined to City Council that the Housing Element does not meet State and environmental legal requirements.

The State Department of Housing and Community Development (HCD) preliminarily approved the Element, and has 90 days to officially certify it which they did in February 2007. It is important that San Diego has a certified Housing Element to be eligible for Proposition 1C and other grant funds administered by HCD and for transportation and grant funds administered by SANDAG.

Respectfully submitted,


Carrol Vaughan
Executive Vice President &
Chief Operating Officer

Approved by:

Elizabeth C. Morris
President & Chief Executive Officer

ACTIVITY PERFORMANCE REPORT FY07

Attachment 1

Activity: Goal	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Comments
Rental Assistance: Assist 12,444 families. ¹	Total: 12,244	Total: 12,056			CURRENT: 12,056 Under leased vouchers to meet annual HUD requirements
Rehabilitation/Private Property: Oversee physical improvement of 780 dwelling units (280 Owner Occupied/500 CDBG): Rental Property: 140 lead-based paint reduction ²	94	191			YTD: 202 dwelling units/83 lead-based paint units
Major Renovations:					
<ul style="list-style-type: none"> Complete 806 Capital Improvements at Commission owned and managed units 	297	291			YTD: 588
<ul style="list-style-type: none"> 1,800 maintenance quality assurance program inspections 	166	480			YTD: 646 Scheduling will ensure completion of all units by fiscal year-end.
Rental Development: Facilitate development or preservation of 600 affordable units. ³	Starts: 71 Completions: 0	Starts: 0 Completions: 258			YTD: Starts – 71 YTD: Completions – 258
Homeowner: Assist 100 first-time homebuyers. ⁴	Homeowners: 11	Homeowners: 9			YTD: 20 Program changes made in first quarter are expected to aid program utilization
Resident Services: Aid 550 assisted families in self-sufficiency programs. ⁵	426	460			This quarter included 34 enrollments and 7 graduates.
Housing Management:					
<ul style="list-style-type: none"> Own/Manage/Maintain 1,726 units.⁶ 	1,726	1,726			CURRENT: 1,726
<ul style="list-style-type: none"> Maintain 99% occupancy rate.⁷ 	99.55%	99.23%			YTD: 99.39%
<ul style="list-style-type: none"> Complete 12,500 work orders for property repair/improvement.⁸ 	5,555	4,845			YTD: 10,400
<ul style="list-style-type: none"> Respond to emergency resident requests for work within 12 hours. 	Mean Hours: 5.22	Mean Hours: 5.14			AVERAGE: 5.18
Special Purpose Programs: Secure funding to provide housing opportunities for 595 persons. ⁹	181	317			YTD: 317 RFP will be issued in FY07 for FY08 funding

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 "Rehabilitation/Private Property" includes housing units repaired and/or rehabilitated at publicly owned complexes, and privately owned rental, mobile home and other owner-occupied units rehabilitated with financial assistance from the San Diego Housing Commission.

-
- ³ "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.
- ⁴ "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.
- ⁵ "Resident Services" 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.
- ⁶ "Housing Management" includes all housing units owned, managed or maintained by the San Diego Housing Commission.
- ⁷ "Occupancy Rate" reflect all units managed by the agency.
- ⁸ Work orders are not considered complete until final billing is received from contractors or agency staff has completed all work. Delays in contractor billing can result in changes to the number of work orders reported after the end of the fiscal quarter.
- ⁹ "Special Purpose Programs" includes transitional housing units and beds supported through financing of operations or development, and project-based or sponsor-based rental assistance for persons with special needs. All tenant-based assistance is reported above in Rental Assistance.