



INFORMATIONAL REPORT

DATE ISSUED: July 28, 2008
REPORT NO: HCR08-75
SUBJECT: Activity Performance Report – Fourth Quarter FY 2008 (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 April 1, 2008 through June 30, 2008. 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 Wins Four NAHRO Awards

The San Diego Housing Commission received four Awards of Merit from the National Association of Housing & Redevelopment Association Officials (NAHRO):

- Leveraging San Diego's Public Housing (the agency's Public Housing transition)
- Renaissance at North Park (a mixed-use, affordable housing development)
- Money Moves (a financial education after-school club for low-income youth)
- Bilingual Computer Literacy Skills Training (a program to bridge the digital divide for minority women)

Three of the programs (Leveraging Public Housing, Renaissance at North Park and Money Moves) have also advanced to the NAHRO Awards of Excellence competition, with winners to be announced this fall.

Housing Commission Leaders Travel to Nation's Capital

In April, Board Chair Sal Salas, Interim President & CEO Carrol Vaughan, and Director of Policy & Public Affairs D. Todd Philips traveled to Washington, D.C., to attend the annual Legislative Conference sponsored by the National Association of Housing & Redevelopment Officials. The conference brought together housing agency leaders from across the nation to discuss housing policy, federal funding and proposed changes to national housing legislation.

Mr. Salas, Ms. Vaughan and Mr. Philips personally visited with Rep. Bob Filner (51st) and Rep. Susan Davis (53rd), as well as staff members from the offices of Rep. Brian Bilbray (50th) and Sen. Dianne Feinstein. They also met with the counsel to the House Financial Services Committee, chaired by Rep. Barney Frank (D-Massachusetts). The discussion focused on Rep. Frank's foreclosure crisis bill, the agency's input on the proposed legislation, and how the crisis is affecting San Diego.

FY 2009 Budget Approved

The Housing Authority approved the agency's Fiscal Year 2009 budget, totaling \$265 million. The budget, which includes 73% federal funds, 1% state funds, and 26% locally generated funds, will enable the agency to:

- Assist 13,780 households with rent in private housing.
- Help 80 families purchase their first home.
- Produce 720 additional affordable rental units.
- Make repairs to 1,556 homes and apartments.
- Manage 1,800 units of SDHC-owned housing.
- Provide special purpose housing opportunities for 640 persons.
- Aid 500 families toward economic self-sufficiency.

Housing Commission Launches Three-Year Strategic Business Plan

The agency has developed a strategic business plan for Fiscal Years 2009-2011. Comprised of five goals and 66 strategies, the plan is a strategic management tool that identifies priorities and aligns staff and resources with common goals. The business plan comes at a pivotal turning point in the Housing Commission's history, as the agency has transitioned out of the federal Public Housing program in favor of a private sector asset management model. In a similar vein, the business plan is modeled after private sector business planning practices and includes comprehensive operational strategies as well as financial analyses that will help guide agency activities for the next three years.

HOUSING FINANCE

Ten Fifty B High-Rise Underway

Construction began on Ten Fifty B, San Diego's first 100 percent affordable high-rise. The 23-story, 229-unit apartment tower will serve low-income families, individuals and seniors earning between 25 to 60 percent of San Diego's area median income.

Developed by Affirmed Housing, Ten Fifty B received \$48.5 million in tax-exempt bonds through the Housing Commission, as well as a \$34 million subsidy from Centre City Development Corporation and \$38.3 million in Low-Income Housing Tax Credits. The environmentally friendly project will meet Silver LEED status when completed in spring 2010. Ten Fifty B will feature retail space on the ground floor. Amenities for residents will include a computer lab, support services, underground parking, and outdoor tot lots.

Alabama Manor Debuts, Helping Increase Senior Housing Stock

Grand opening festivities marked the debut of Alabama Manor, a 67-unit North Park development for low-income seniors and persons with disabilities. The Housing Commission provided \$10 million in a loan and tax-exempt bonds to help Community HousingWorks purchase and rehabilitate the property, which was in

need of extensive repairs (including upgrades to make eight of the units accessible to persons with disabilities). Alabama Manor will have a 65-year affordability term.

\$1.1 Million for Supportive Housing

As part of the agency's ongoing efforts to serve special needs populations, the Housing Finance department recently distributed \$1.1 million in Housing Trust Fund grants. The grants were awarded to 15 programs operated by local non-profit organizations, which will in turn provide supportive services and affordable housing. Populations served include youth who have graduated from foster care, homeless veterans, persons recovering from addictions, and families fleeing domestic violence.

Lead Hazard Control Program Receives High Marks

The Housing Commission received a "Green/Excellent" performance rating from HUD for its Lead Hazard Control program. Through the HUD-funded program, the agency provides grants for the removal of lead paint hazards from homes occupied by low-income families with children under six years of age. In giving the rating, HUD evaluates the agency's progress in meeting established benchmarks, such as number of lead hazard assessments conducted and housing units completed.

RENTAL ASSISTANCE PROGRAM

New Vouchers for Veterans

The Rental Assistance Department applied for and was awarded 105 vouchers from HUD's Veterans Affairs Supportive Housing program. The vouchers will assist homeless veterans. Applicants will be referred to the Housing Commission from the U.S. Department of Veteran Affairs, which will in turn provide social services for all participants.

WORKFORCE & ECONOMIC DEVELOPMENT

Youth Financial Education Program Helps Teens Get Ahead

The Workforce & Economic Development unit launched a youth financial fitness pilot project to serve low-income youth residing in SDHC-owned housing communities. The three-year program is designed to help break the cycle of poverty by encouraging asset-building and economic self-sufficiency. Through workshops, the youth are learning about budgeting, savings, credit and investments. They also get help preparing for college and developing career plans.

A key component of the program is an "Individual Development Account" (IDA), a special bank account that provides a three-to-one dollar match to encourage savings. The savings will be used for specific goals set by each youth, such as education, starting a business or purchasing a home.

Sponsors Donate \$250,000 for Adult Financial Education Programs

The Housing Commission has been awarded \$150,000 from the U.S. Department of Health & Human Services, along with \$100,000 from United Way of San Diego. The funds will be used to expand adult financial fitness programs and Individual Development Accounts that the agency offers to its housing assistance clients.

Restructuring Learning Opportunity Centers

To better serve clients, the Housing Commission is restructuring its Learning Opportunity Centers (LOCs) by phasing out three older Centers and creating three, centrally-located “Economic Development Academies” (EDAs).

The new service delivery model will more efficiently focus financial and staff resources and increase resident participation. Until now, LOCs have only served residents of the housing sites in which they are located. In contrast, the EDAs will be available to Section 8 clients as well as residents of all SDHC-owned housing.

The first step of the LOC restructuring was completed in June, during which the agency phased out the LOCs at University Canyon (Linda Vista), El Camino (Carmel Valley), and Pulitzer Place (University City). As a more effective alternative, adult and youth residents are now offered a broad array of free services at the Boys & Girls Clubs of Linda Vista and San Dieguito, and the La Jolla YMCA.

The new EDAs will open by fall 2008, offering services previously offered by the LOCs along with enhanced financial education and career development resources. The EDAs will be located at the agency’s main Broadway office, the Juniper Street complex in City Heights, and the Calle Primera housing site in San Ysidro.

POLICY & PUBLIC AFFAIRS

City’s FY09 Annual Action Plan Submitted

Each year, the Housing Commission’s Policy unit prepares and submits an Annual Action Plan to HUD on behalf of the City of San Diego. The Plan is the annual update to the five-year Consolidated Plan and serves as the official application for HUD community planning and development grants: Community Development Block Grants, HOME Investment Partnerships, American Dream Downpayment Initiative, Emergency Shelter Grants, and Housing Opportunities for Persons with Aids. The plan includes one-year goals and objectives to meet the needs identified in the Consolidated Plan.

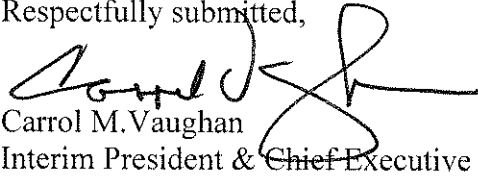
In FY09, it is estimated that the application will result in \$26.4 million in federal funding for San Diego.

SDHC in the News

In the 4th quarter, the Housing Commission was mentioned in 30 news features (print and television). Of these, 21 positively relayed Housing Commission achievements and activities; seven were neutral; and two were negative.

Positive news features included: the agency's youth financial fitness program (featured on the front page of the *San Diego Union-Tribune's* Home section), hiring of Jeff Davis as Rental Assistance Director, Renaissance North Park winning an award from the National Association of Local Housing Finance Agencies, and several affordable housing construction stories.

Respectfully submitted,



Carol M. Vaughan
Interim President & Chief Executive Officer

Attachment I: Activity Performance Report

ACTIVITY PERFORMANCE REPORT FY08

Attachment 1

Activity: Goal	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Comments
Rental Assistance: Assist 13,780 families. ¹	Total: 12,355	Total: 12,543	13,960	14,086	Lease Rate: 102%
Rehabilitation/Private Property: Oversee physical improvement of 202 Owner Occupied/400 CDBG/Rental Property. 140 lead-based paint reduction?	54/49/83	44/7/177	40/109/49	40/127/60	YTD: 178/356/219
Major Renovations:					
• Complete 791 Capital Improvements at Commission owned and managed units	375	41	201	54	YTD: 671 Goal not met due to reallocation of staff to public housing activities.
• 1,200 maintenance quality assurance program inspections	142	24	21	0	Discontinued due to vacancies and reallocation of staff to public housing disposition activities.
Rental Development: Facilitate development or preservation of 400 affordable units. ³	Starts 398 Loan Closings 0 Completions 0	Starts 0 Loan Closings 0 Completions 91	Starts 0 Loan Closings 0 Completions 0	Starts 70 Loan Closings 0 Completions 0	YTD: Starts - 468 YTD: Loan Completions 0 YTD: Completions - 91 TOTAL: 468
Homeowner: Assist 90 first-time homebuyers. ⁴	13	22	14	25	YTD: 74 Homeowner assistance this year will be less than anticipated because sales of several affordable properties have slowed down and buyers are also delaying purchases of market-rate units in hopes that prices will continue to fall.
Workforce & Economic Development: Aid 500 assisted families in self-sufficiency programs. ⁵	446	480	511	554	YTD: 554 This quarter included 43 enrollments and 9 graduates.
Housing Management:					
• Own/Manage/Maintain 1,723 units. ⁶	1,723	1,723	1,723	1,723	CURRENT: 1,723
• Maintain 99% occupancy rate. ⁷	97.25%	97.42%	96%	96%	YTD: 96%
• Complete 12,500 work orders for property repair/improvement. ⁸	4,874	4,459	4,212	4,022	YTD: 17,567
• Respond to emergency resident requests for work within 12 hours.	6.56 hrs	5.18 hrs	11.10 hrs	9.81 hrs	AVERAGE: 9.65
Special Purpose Programs: Secure funding to provide housing opportunities for 595 persons. ⁹	549	763	762	792	YTD: 792

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.