

INFORMATIONAL REPORT

DATE ISSUED: December 5, 2008
REPORT NO: HCR 08-119
SUBJECT: Activity Performance Report – First Quarter FY 2009 (Citywide)

NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION

SUMMARY

The format of the quarterly Activity Performance Report has been changed. The revised format expands the information provided by reporting on goals included in the three year Business Plan as well as the FY 2009 Budget. In addition, a report on Rental Housing production, both committed and pipeline projects, has been included at the request of the Housing Commission Board.

This report includes a description of goals and performance information for the period July 1, 2008 through September 30, 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

Rental Assistance Program

New Online Rental Vacancy Listing

The Rental Assistance Department replaced its old rental vacancy listing service with a searchable database called GOsection8.com. Operated by a private vendor at no cost to the Housing Commission, tenants or rental owners, the listing service has helped reduce staff time while offering a more effective system for participants.

At the GOsection8 website, tenants can view property listings as well as search for specific criteria. Owners can post basic rental unit listings free of charge, with premium services available for a fee. Optional tools

include a market analysis product that quickly assesses owners' proposed rents, helping speed up the HUD required property inspection process. GOsection8 also saves owners time because it covers multiple housing authority jurisdictions.

This process improvement is in keeping with goals number two and four of the Housing Commission's Business Plan

Housing Finance

Housing Rehabilitation Program Expanded

The City's Redevelopment Agency has contracted with the Housing Commission to manage Housing Rehabilitation programs in two new project development areas: North Park and San Ysidro. The programs help owners with repair needs such as leaking roofs, faulty plumbing, electrical or heating systems, flooring, exterior or interior paint, lead paint reduction, and accessibility. SDHC will receive an administrative fee for this service (15% of each rehabilitation loan).

To announce the program expansion, Councilmember Ben Hueso joined Interim President & CEO Carrol Vaughan and Redevelopment Agency officials for a press conference at SDHC's Broadway offices.

This effort helps support goals number two and four of the Housing Commission's Business Plan

Lenders Now Able To Download Instructions and Forms Online

First-Time Homebuyer Program revisions are posted on Housing Commission's website, which provides a more efficient and expedient external customer experience.

This process improvement is in keeping with goal number four of the Housing Commission's Business Plan

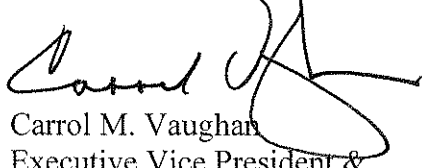
Financial Services

Maximize Financial Performance in the Investment Portfolio

Despite continued declines in the U.S. and global financial markets, the Housing Commission was able to realize forecasted increase in the overall performance of the portfolio returns during the first quarter of fiscal year FY 09. This is a direct outcome of changes in investment strategies, working closely with investment advisor, and staff's diligence in educating on investing government funds. During this first quarter, the overall portfolio yield grew from 2.77% to 3.43% and the value of the portfolio has increased \$4 million to \$93 million. During this first quarter the majority of Certificates of Deposits (CDs) were converted as they matured into government bonds.

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Carrol M. Vaughan". The signature is stylized and cursive, with a large, sweeping flourish at the end.

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				Q 1: Voucher Utilization rate for July – September was 100.5%
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. Lead-based paint reduction grants for 29 single-family owner-occupied homes.	SFR Def Loans: 12 Mobil Home Grants: 26 Lead Paint Grants: 1				Q1: SFR Def Loans: 12 Mobil Home Grants: 26 Lead Paint Grants: 1 Quarter Total: 39
Rehabilitation/Rental Housing: Provide lead-based paint reduction grants for 87 rental housing units.	21				Q1: 21
Rehabilitation/Rental Housing: Provide Accessibility Modification Grants to 15 Tenants with Disabilities.	7 Tenants served				Q1: 7
Major Renovations: \$2,984,080 budgeted to complete Capital Improvements at Commission owned and managed units	\$207,691				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
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	76 Units, Golden Age Garden Apts. 112 Units, Arbor Village Loan Closings 0 Completions 0				Q1: 188 starts 0 loan closings 0 completions
Rental Development: Project Management support for 1,000 units in development	763 units supported this quarter				Q 1: 763 units
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% Deferred Loans = 6				Q1: Assisted 31 first-time homebuyers with the purchase of their home by providing 19 Mortgage Credit Certificates, 16 FTHB Deferred loans, 6 Affordability Restrict 3% Deferred loans and 23 Down Payment/Closing Cost Assistance grants.
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.				Q1: 30
Special Purpose Housing: Fund the development of at least two 20-bed special purpose housing facilities	Starts: 34 Units, Townspeople 34 th Street Completions: 20 units, TACHS/The Cove-Homeless & Mentally Ill Housing				Starts Q1: 1 Project Completions Q1: 1 Project

ACTIVITY PERFORMANCE REPORT FY09

Attachment 1

Activity: Goal	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Comments
<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>				Q1: 224
<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 self-sufficiency programs⁵, financial education 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>				Q1 : 586 participants served 251 referrals and supportive services
<p>Workforce & Economic Development: Maintain funding and supportive resources for existing programs through grant applications and partnerships. Actively pursue federal and local funding from government agencies and private and corporate foundations.</p>	<p>Received two grants from HUD. \$396,000 funding (HCY) 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>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 • Maintain 95 to 99% Collection Rate for 1,782 units, available for occupancy 	<p>94% Occupancy Local units 100% Occupancy State units 100% Occupancy Public Housing units</p> <p>94% Local 97% State 100% Public Housing</p>				

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

ACTIVITY PERFORMANCE REPORT FY09

Attachment 1

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

ACTIVITY PERFORMANCE REPORT FY09

Attachment 1

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	Townspeople	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)	
Budget Balance:			(2,833,059)	