



SAN DIEGO  
HOUSING  
COMMISSION

# **San Diego Affordable Housing Fund Annual Plan**

**Fiscal Year 2014  
(July 1, 2013 – June 30, 2014)**

**PAGE INTENTIONALLY LEFT BLANK**

## Table of Contents

### SAN DIEGO AFFORDABLE HOUSING FUND

Introduction .....	1
Use.....	1

### FY2014 AFFORDABLE HOUSING FUND ANNUAL PLAN

Funding Forecast.....	2
Fund Allocation and Production .....	2-3

### HOUSING COMMISSION MODEL PROGRAMS OVERVIEW ..... 4-5

### HOUSING COMMISSION MODEL PROGRAMS

#### Rental Housing Production

Rental Housing Finance.....	6
Rental Housing Finance – Transit Oriented Development and Workforce Housing ( <i>new program</i> ).....	7
Housing Commission Rental Housing Development ( <i>new program</i> ) .....	7
Permanent Supportive Rental Housing Finance.....	7-8

#### Homeownership

3% Interest Deferred Payment Loan Program (Unrestricted Units) .....	8
3% Interest Deferred Payment Program (Restricted Units) .....	9
Closing Cost Assistance Program (Unrestricted Units) .....	9
Closing Cost Assistance Program (Restricted Units) .....	9
NSP Acquisition Loan Program .....	10
NSP Closing Cost Assistance Program .....	10
NSP Rehabilitation Loan Program .....	10
Shared Appreciation Loan Program ( <i>This program is currently inactive</i> ) .....	11
Resident Ownership Mobile Home Parks ( <i>This program is currently inactive</i> ) .....	11

#### Lead Remediation and Healthy Homes

Owner-Occupied Healthy Homes Repairs, Citywide Program.....	12
Owner-Occupied Healthy Homes Repairs, Special Target Area Programs .....	12-13
Owner-Occupied Lead Paint Remediation Grant Program .....	13
Healthy Homes Repair Grants – Mobile Homes.....	13-14

#### Nonprofit Capacity Building – Affordable Housing Developers

Project-Based Predevelopment Financial Assistance.....	14
Emergency Loan Fund Program.....	15
Nonprofit Technical Assistance.....	15

Housing Initiatives Programs

(Homeless Programs, Permanent Supportive Housing and Transitional Housing)

Connections Housing ..... 15  
Emergency Winter Shelter Program..... 16  
Hotel/Motel Vouchers..... 16  
Neil Good Day Center ..... 16  
Regional Continuum of Care Consortium Support ..... 16  
Regional Task Force on the Homeless ..... 16  
Security Deposit Program (Emergency Solutions Grant) ..... 17  
Shelter Plus Care ..... 17  
Sponsor Based Voucher Program..... 17  
Tenant Based Rental Assistance ..... 17  
Transitional and Permanent Supportive Housing Operating Support..... 17-18  
Flexible Rehousing Program (*potential new program*)..... 18

Miscellaneous Programs

Targets of Opportunity..... 18

AREA MEDIAN INCOME CHART ..... 19

## **SAN DIEGO AFFORDABLE HOUSING FUND**

### **Introduction**

The San Diego Affordable Housing Fund (AHF) was created as a permanent and annually renewable funding source to help meet the housing assistance needs of the City's very low- to moderate-income households. The San Diego City Council (City Council) expressed this intent in San Diego Municipal Code Chapter 9, Article 8, Division 5 (Code). In general, the purposes of the AHF are to:

- 1) Meet a portion of the need for housing that is affordable to households with very low, low, median and moderate incomes;
- 2) Leverage every one dollar of City funds with two dollars of non-City subsidy capital funds;
- 3) Support the City's Balanced Communities Policy by fostering a mix of family incomes in AHF- assisted projects and dispersing affordable housing projects throughout the City;
- 4) Preserve and maintain affordable rental and ownership housing; and
- 5) Encourage private sector activities that advance these goals.

The AHF Annual Plan (Annual Plan) implements City Council's intent by adopting an overall strategy for use of the AHF. Development of the Annual Plan is guided by the San Diego Housing Commission's (Housing Commission) annual budget process and the City's Consolidated Plan, which is required by the U.S. Department of Housing and Urban Development.

The Annual Plan provides funding forecasts, a suggested FY2014 fund allocation, and production estimates. Proposed fund allocation takes into consideration policy parameters set by the Code, availability and requirements of other affordable housing funding sources, and the goals and objectives set forth in the Housing Commission's FY2014 Budget.

The FY2014 Annual Plan also includes a description of the Housing Commission's Model Programs.

### **Use**

The AHF is comprised of two funds: the Housing Trust Fund (HTF) and the Inclusionary Housing Fund (IHF).

#### **The Housing Trust Fund:**

Per Section 98.0504 of the Code, HTF funds may be used in any manner, through loans, grants, or indirect assistance for the production and maintenance of assisted units and related facilities. To comply with the Code, HTF monies shall be allocated:

- At least 10 percent to Transitional Housing;
- At least 60 percent to very low-income households (defined as households with incomes at or below 50 percent of area median income ("AMI"));
- No more than 20 percent to housing for low-income households (defined as households with incomes between 50 percent and 80 percent of AMI); and
- No more than 10 percent to moderate income first-time homebuyers (for purposes of the Housing Trust Fund, defined as households with incomes between 81 and 120 percent of AMI).

### **Inclusionary Housing Fund:**

The expenditure of Inclusionary Housing Funds (IHF) is governed by Section 98.0505 of the Code. Priority is given to the construction of new affordable housing stock. Funds may also be used for other programs if approved by City Council in the Annual Plan. The Housing Commission monitors the funds collected from each Community Planning Area (CPA) and is responsible for reinvesting them.

The Code states in general that spending priority shall be given to the CPA from which the funds were collected. It also allows for funds to be expended on other programs administered by the Housing Commission with City Council approval. Recognizing the significant need for affordable housing and the desire to provide housing opportunities as soon as possible, funds are invested in the CPA of origin when possible but may also be invested citywide. The Housing Commission will invest the funds as follows:

- Rental Housing Production
  - New construction
  - Acquisition and acquisition with rehabilitation
  - Preservation of affordable rental housing

Rental units shall be affordable at or below 65 percent of AMI for a minimum of 55 years. Developers apply for funding via the Housing Commission's Notice of Funding Availability (NOFA).

- Homeownership Opportunities

Either new construction of affordable for-sale housing or financing programs to encourage and increase homeownership opportunities for low- to moderate-income households (at or below 100 percent of AMI). First-time homebuyers apply through participating lenders.
- Homeless Activities

Funds may also be spent on activities that serve the homeless should the Housing Commission receive direction to increase spending on this activity, or opportunities arise for which other funds are not available.

## **FY 2014 AHF ANNUAL PLAN**

### **Funding Forecast**

Approximately \$16.4 million is expected to be available in FY2014, consisting of \$3.1 million in new funds and loan repayments and \$13.3 million in estimated fund balance. New funds include Housing Trust Fund Commercial Linkage Fees and Inclusionary Affordable Housing Fees.

A Best Practices Task Force developed recommendations for policy changes, incentives, and other funding sources for the AHF, and they were presented to the Land Use and Housing Committee of the City Council in November 2011. Further action by the City Council is pending after review of the recommendations.

### **Fund Allocation and Production**

Funding recommendations are made in accordance with established Housing Commission policies and require Housing Commission and Housing Authority approval of specific projects and activities. Some discretionary transfer of funds between eligible activities is permitted, but all funding recommendations must be consistent with the Annual Plan and the Housing Commission's budget process.

The proposed allocation of Affordable Housing Funds for FY2014 is as follows:

PROGRAM	BUDGET	PRODUCTION
Rental Housing Finance – gap financing Affordable Rental Housing Production	\$11,345,984	150 units
Homeownership Deferred Payment Loans; Closing Cost Assistance Grants	\$1,005,000	19-24 units
Lead Remediation and Healthy Homes Healthy Homes Repair Grants for Mobile Homes	\$306,282	56 units
Transitional Housing	\$980,000	562 transitional housing beds
Targets of Opportunity Targets of Opportunity Grants	\$20,000	1 – 2 projects
Nonprofit Capacity Building  Predevelopment Financial Assistance; Emergency Loan Fund Program; Nonprofit Technical Assistance	\$50,000	1 – 2 projects
Administration	\$376,679	Personnel, overhead, MOU expense
Administration - Legal	\$140,000	
Fund Balances		
Administration	\$ 400,000	Admin costs associated with post project loan servicing functions.
Potential Linkage refunds	\$ 165,000	
	<u>\$1,691,878</u> \$2,256,878	Remaining Fund Balances to be allocated in accordance with Municipal Code and appropriate approving authorities to proposed new and/or above current programs.
<b>TOTAL</b>	<b>\$16,480,823</b>	

The AHF has invested over \$90 million in San Diego communities, leading to the production of over 8,000 affordable units and supporting an average of approximately 480 transitional housing beds per year.

## **HOUSING COMMISSION MODEL PROGRAMS OVERVIEW**

Funding is allocated on an annual basis among the various activities authorized by the Code. To assure residents are served in the best possible manner, the Housing Commission solicits ideas for improving the Model Programs to better respond to community needs for affordable housing and quality neighborhoods. Model Programs change from time to time; they are not intended to preclude investment in an opportunity that is not specifically described in the Model Programs Section.

The following is a general description of the possible investment activities planned for FY2014. These activities are described more fully in the attached Model Programs.

### **Rental Housing Finance**

Financing to developers of affordable housing units with below-market rents. Program includes deferred loans, below market interest rates, and matching funds for State, Federal, and private financing. Housing Commission Policy PO600.301 contains additional information regarding the Housing Commission's financial participation in affordable rental housing development, including new construction, acquisition or acquisition with rehabilitation.

### **Rental Housing Finance – Transit-Oriented Development (TOD)/Workforce Housing (new)**

A program similar to the Rental Housing Finance program. TOD/Workforce housing and affordable rental housing projects that meet certain geographical requirements will receive funding preference over other affordable rental housing projects.

### **Rental Housing Finance - Housing Commission Development (new)**

Gap financing for Housing Commission developments when other funds are unavailable or local match funds are needed. Developments include new construction, acquisition, acquisition with rehabilitation and preservation of existing affordable rental housing.

### **Permanent Supportive Rental Housing Finance**

Financing to developers of permanent affordable rental housing with related services that serve special resident populations, including those at risk of becoming homeless or need services related to physical or mental disabilities, chronic health problems (HIV/Aids) or are recovering from substance abuse. Program includes deferred loans, below market interest rates, revocable grants, and matching funds for State, Federal and private financing. Housing Commission Policy PO600.301 contains additional information regarding the Housing Commission's financial participation in housing development, including new construction or acquisition with rehabilitation.

### **Homeownership**

Junior loan/grant programs targeted toward first-time homebuyers with the ultimate goal of neighborhood stabilization and revitalization.

### **Lead Remediation and Healthy Homes**

Programs that provide below-market interest rate deferred loans for the rehabilitation of deteriorated or functionally obsolete housing units, and grants for lead paint remediation and mobile home repairs. Units must be owner-occupied and single family, duplex or mobile home.

### **Nonprofit Capacity Building**

Programs for nonprofit developers include project-based financial assistance and technical assistance.



**Housing Initiatives Programs - Homeless Programs, Permanent Supportive Housing and Transitional Housing**

The Housing Commission helps support or operate several programs that serve the homeless, ranging from an Emergency Winter Shelter, to operating support grants for transitional housing facilities, to Sponsor-Based and Tenant-Based rental assistance programs. The latter are designed to assist low-income residents achieve self-sufficiency by providing limited amounts of rental assistance.

**Fund Balance and Targets of Opportunity**

Fund balance that provides flexibility to transfer resources among eligible activities and take advantage of low-income housing opportunities that present themselves during the course of the year. The fund balance also provides and allows for reimbursement of developer fees paid into the AHF after building permits expire without the commencement of work.

**Administration**

Funds to provide reasonable compensation to the City of San Diego and Housing Commission for services related to the administration of the AHF and associated housing programs.

**Legal**

Expenses to obtain legal services and prepare loan/grant agreements and related documents.

## SAN DIEGO HOUSING COMMISSION

### MODEL PROGRAMS

Legend:   HTF:       Housing Trust Fund  
               INCL:      Inclusionary Housing Fund  
               HOME:     HOME Investment Partnerships Program (HUD)

RENTAL HOUSING PRODUCTION					
Rental Housing Finance - 100% Affordable Projects		HTF	INCL	HOME	OTHER
Scope	Below-market interest rate, deferred payment junior mortgage loan program to increase the supply of affordable rental units in the City of San Diego, to include new construction, acquisition, and acquisition with rehabilitation. Funds may also be used for the preservation of existing affordable units facing expiration of rent restrictions within 0-5 years. Loans to developments wherein 100 percent of the units are affordable to households at or below 60 percent of area median income (AMI) (manager units excluded). Preference will be given to projects meeting at least one of the following criteria: affordable to households at or below 50 percent of AMI; qualified as transit-oriented development/workforce housing; located within ¼ mile of a SANDAG designated “employment center;” located in a census tract with low-income concentrations of less than 41 percent; located north of Interstate 8; or with at least 15% of the units designated as permanent supportive housing (see <i>Permanent Supportive Rental Housing Finance</i> model program below).	●	●	●	●
Target Population	Extremely low-, very low- and low-income households.				
Loan Terms	Maximum term to maturity is 55 years. Repayment of principal and interest is amortized, due and payable as a balloon payment; or as residual receipts, due and payable at maturity. Loan may be originated as a construction loan and converted into permanent financing.				
Loan Underwriting	Subject to loan policies of the San Diego Housing Commission unless specific exception as authorized by the Housing Commission.				
Application Method	Funds for program to be made available through Request for Proposals (RFP) or Notice of Funding Availability (NOFA). RFP/NOFA requires applicant to stipulate the rent schedule for the project.				

<i>Proposed New Program for FY2014</i>					
<b>Transit-Oriented Development (TOD)/Workforce Housing – Mixed Income Projects</b>		HTF	INCL	HOME	OTHER
Scope	<p>Below-market interest rate, deferred payment junior mortgage loan program to increase the supply of affordable rental units in the City of San Diego, to include new construction, acquisition and acquisition with rehabilitation. Loans to developments wherein at least 20 percent of the units are affordable to households at or below 50 percent of area median income (manager units excluded).</p> <p>Projects must meet at least one of the following criteria: qualified as transit-oriented development or workforce housing; located within ¼ mile of a SANDAG designated “employment center;” located in a census tract with low-income concentrations of less than 41 percent; or located north of Interstate 8.</p>	●	●	●	●
Target Population	Extremely low-, very low- and low-income households.				
Loan Terms	Maximum term to maturity is 55 years. Repayment of principal and interest is amortized, due and payable as a balloon payment; or as residual receipts, due and payable at maturity. Loan may be originated as a construction loan and converted into long term financing.				
Loan Underwriting	Subject to loan policies of the San Diego Housing Commission unless specific exception as authorized by the Housing Commission.				
Application Method	Funds for program to be made available through Request for Proposals (RFP) or Notice of Funding Availability (NOFA). RFP/NOFA requires applicant to stipulate the rent schedule for the project.				

<i>Proposed New Program for FY2014</i>					
<b>Rental Housing Finance - Housing Commission Development</b>		HTF	INCL	HOME	OTHER
Scope	Funding for Housing Commission affordable rental housing developments when other funds are unavailable or local match funds are needed. Anticipated uses are expenses ineligible for non-AHF funds.		●		
Target Population	Extremely low- and very low-income households.				
Grant Terms	Projects would be affordable in perpetuity.				
<b>Permanent Supportive Rental Housing Finance</b>		HTF	INCL	HOME	OTHER
Scope	A loan and grant program for permanent housing with support services for special needs populations including those at risk of becoming homeless or those in need of special services related to physical or mental disabilities, chronic health problems (HIV/Aids), or those recovering from substance abuse, that will maximize the ability of those persons to live independently. Loans and grants may be used for the development, acquisition or long-term leasing of housing facilities as well as improvements to existing facilities.	●	●	●	●

Target Population	Very low and low-income populations identified as needing permanent housing in a service-enhanced environment; selection of populations to be generally compatible with requirements of federal funding sources.				
Loan Terms	Maximum term to maturity is 55 years. Payment of loan principal and interest is due and payable as a residual receipts loan or as a balloon payment at maturity but may be forgiven upon extension of affordability requirements.				
Loan Underwriting	Loan may be originated as a rehabilitation loan and converted into long term financing. Subject to loan policies of the San Diego Housing Commission unless specific exception as authorized by the Housing Commission.				
Grant Terms	Grant Terms: Subject to revocation/repayment for nonperformance.				
Application Method	Funds for program to be made available through RFPs or Notices of Funding Availability (NOFA).				

<b>HOMEOWNERSHIP PROGRAMS</b>					
<b>3% Interest Deferred Payment Loans (Unrestricted Units)</b>		HTF	INCL	HOME	OTHER
Scope	A second trust deed loan program for low and moderate-income first-time homebuyers that bridges the gap between what households can afford and the actual cost of acquiring a home with affordability restrictions. (Second trust deed not to exceed the lesser of 17 percent of the purchase price or appraised value.)	●	●	●	●
Target Population	The loan program is targeted mainly to households earning up to 80 percent of median income that meet usual bank underwriting criteria for first mortgages. Limited funds are available for buyers earning up to 100 percent of median income.				S t a t e
Loan Terms	The loans are at three percent interest and require no monthly payments of principal. The loan term is 30 years. When a property is sold or transferred, buyer must pay the Housing Commission the principal balance due, plus accrued interest. Approval from institutional lender required.				
Loan Underwriting:	Subject to loan policies of the San Diego Housing Commission unless specific exception as authorized by the Housing Commission.				
Application Method	Purchasers apply through participating Lenders.				

<b>3% Interest Deferred Payment Loans (Restricted Units)</b>		HTF	INCL	HOME	OTHER
Scope	A second trust deed loan program for low and moderate-income first-time homebuyers purchasing affordable-restricted units (e.g. inclusionary, density bonus), that bridges the gap between what households can afford and the actual cost of acquiring a home with affordability restrictions. (Second trust deed not to exceed 25 percent of the affordable purchase price if 80 percent or below median income and not to exceed 17 percent for buyer at 81-100 percent median income).	●	●	●	
Target Population	Households earning up to 100 percent of median income that meet usual bank underwriting criteria for first mortgages.				
Loan Terms	The loans are at three percent interest and require no monthly payments of principal or interest. The loan term is 30 years or length of time unit must remain affordable. When a property is sold or transferred or at the end of the loan term, buyer must repay the Housing Commission the principal balance and all deferred interest. Approval from institutional lender required.				
Loan Underwriting:	Subject to loan policies of the San Diego Housing Commission unless specific exception as authorized by the Housing Commission.				
Application Method	Purchasers apply through participating Lenders.				
<b>Closing Cost Assistance Grants (Unrestricted units)</b>		HTF	INCL	HOME	OTHER
Scope	A revocable grant program for first-time homebuyers that pays up to four percent of the purchase price (not to exceed \$15,000 if 80 percent or less of median income or not to exceed \$10,000 if 81-100 percent of median income) towards closing costs.	●	●	●	
Target Population	Households earning up to 100 percent of median income that meet usual bank underwriting criteria for first mortgages.				
Grant Terms	Repayment of the grant, plus 5 percent interest is required if the home is sold or transferred within the first six years of ownership.				
<b>Closing Cost Assistance Grants (Restricted units)</b>		HTF	INCL	HOME	OTHER
Scope	A revocable grant program for first-time homebuyers that pays up to six percent of the affordable purchase price (not to exceed \$15,000) towards closing costs if the buyer is 80 percent or below median income or four percent (not to exceed \$10,000) if the buyer is between 81-100 percent median income.	●	●	●	
Target Population	Households earning up to 100 percent of median income that meet usual bank underwriting criteria for first mortgages.				
Grant Terms	Repayment of the grant, plus 5 percent interest is required if the home is sold or transferred within the first six years of ownership.				

<b>Neighborhood Stabilization Acquisition Loans</b>		HTF	INCL	HOME	OTHER
Scope	A second trust deed loan program for moderate-income first-time homebuyers purchasing a bank owned property located in targeted areas. Maximum sales price is \$408,500 and maximum loan amount is 17 percent of the purchase price. Purchase price must be at least one percent below appraised value.			● N S P	
Target Population	Households earning up to 120 percent of median income that meet usual bank underwriting criteria for first mortgages.			F u n d s	
Loan Terms	The loans are zero percent interest and require no monthly payments of principal. The loan is due at the end of 30 years or upon resale, transfer or if the property is no longer owner occupied. Approval from institutional lender required.				
Loan Underwriting:	Subject to loan policies of the San Diego Housing Commission unless specific exception as authorized by the Housing Commission.				
Application Method	Purchasers apply through participating Lenders.				
<b>Neighborhood Stabilization Closing Cost Grants</b>		HTF	INCL	HOME	OTHER
Scope	A revocable grant program for first-time homebuyers purchasing a bank owned property under the Neighborhood Stabilization Program (NSP) guidelines. The grant pays up to three percent of the purchase price towards closing costs.			● N S P	
Target Population	Households earning up to 120 percent of median income that meet usual bank underwriting criteria for first mortgages.			F u n d s	
Grant Terms	Repayment of the grant, plus 5 percent interest is required if the home is sold or transferred within the first six years of ownership.				
Application Method	Purchasers apply through participating Lenders.				
<b>Neighborhood Stabilization Rehabilitation Loans</b>		HTF	INCL	HOME	OTHER
Scope	A third trust deed loan program for moderate-income first-time homebuyers purchasing a bank owned property under the NSP guidelines.			● N S P	
Target Population	Households earning up to 120 percent of median income that meet usual bank underwriting criteria for first mortgages.			F u n d s	
Loan Terms	The loans are zero percent interest and require no monthly payments of principal. Rehab loans up to \$10,000 are forgiven after 5 years. Rehab loans up to \$30,000 will be forgiven after 10 years and Rehab loans in excess of \$30,000 will be forgiven after 15 years. If property is sold, refinanced, not owner occupied or the improvements have not been maintained prior to the end of the term, the loan funds must be repaid.				
Loan Underwriting:	Subject to NSP guidelines as approved by San Diego Housing Commission.				
Applic. Method	Purchasers apply through Housing Commission.				

<b>Shared Appreciation Loans</b> <i>This program is currently inactive.</i>		HTF	INCL	HOME	OTHER
Scope	A second trust deed loan program for low and moderate-income first-time homebuyers that bridges the gap between what households can afford and the actual cost of acquiring a home. (Second trust deed not to exceed the lesser of 17 percent of the purchase price or appraised value.)	●	●	●	●
Target Population	The loan program is targeted mainly to households earning less than 80 percent of median income that meet usual bank underwriting criteria for first mortgages. Limited funds are available for homebuyer earning up to 100 percent of median income.				C A L
Loan Terms	The loans are zero percent interest and require no monthly payments of principal. The loan term is 30 years. When a property is sold, transferred, or no longer owner occupied, buyer must pay the Housing Commission a net share of the appreciation equal to the percentage of the initial investment in the property. At the end of 30 years, the shared appreciation provision is eliminated; however, the principal balance is due and payable. Approval from institutional lender required.				H O M E
Loan Underwriting	Subject to loan policies of the San Diego Housing Commission unless specific exception as authorized by the Housing Commission.				
Application Method	Purchasers apply through participating Lenders.				
<b>Resident Ownership: Mobile Home Parks</b> <i>This program is currently inactive.</i>		HTF	INCL	HOME	OTHER
Scope	A "junior mortgage" program which bridges the gap between what a lower income mobile home coach owner can afford using normal bank underwriting criteria and the actual cost of acquiring the mobile home pad;  Or  A "land trust" program that bridges the gap between what mobile home coach owners can collectively afford and the actual cost of acquiring the mobile home park. A contingency of Housing Trust Fund financing is that land acquired with Housing Trust Fund assistance would be established as a trust for low-income coach owners or low-income housing.	●			
Target Population	Very low- and low-income residents of mobile home parks wherein over 66 percent of all park residents have expressed an interest in resident ownership.				
Loan Terms	Term to maturity is the earlier of 55 years or sale, conveyance, alienation or transfer of the property. Payment of principal and contingent interest is due and payable as a balloon payment at the end of the term or according to an amortization schedule. Loan funding depends on financial feasibility.				
Application Method	Funds for conversion to resident ownership will be distributed through RFPs that specify a deadline for submission of proposals. Applications will be rated and ranked. Applications may also be submitted under the Targets of Opportunity Program.				

**LEAD REMEDIATION AND HEALTHY HOMES PROGRAMS**

<b>Owner-Occupied Healthy Homes Repairs – Citywide Program</b>		HTF	INCL	HOME	OTHER
Scope	<p>Zero percent interest deferred payment loans for very low- income homeowners (one unit, owner-occupied) throughout San Diego.</p> <p>Current loan products include:</p> <ul style="list-style-type: none"> <li>➤ No-interest, fully deferred loans up to \$20,000 to eradicate health and safety hazards for very low income owner-occupied (&lt;60 percent AMI), one-unit properties.</li> <li>➤ Lead paint reduction no-interest, fully deferred loans for low income (&lt;80 percent AMI) owner-occupied properties at \$5,000 per unit, up to \$15,000 per multifamily property.</li> </ul>	●		●	
Target Population	Low- and very low-income borrowers throughout the City of San Diego.				
Loan Terms and Underwriting	Borrower FICO score of 640 or higher, total loans not to exceed 90 percent Loan to Value ratio.				
Application Method	Applications to be accepted by program sponsor on an ongoing basis after an initial Notice of Funding Availability (NOFA).				
<b>Owner-Occupied Healthy Homes Repairs - Special Target Area Programs</b>		HTF	INCL	HOME	OTHER
Scope	<ul style="list-style-type: none"> <li>● <i>Southeast San Diego</i></li> </ul> <p>Three percent Deferred Payment Forgivable Housing Enhancement Loan Program (HELP) loans up to \$20,000, plus \$10,000 bonus for water- or energy-conserving improvements. Repay 100 percent of principal plus three percent interest if sold within first five years. Beginning sixth year, 20 percent of principal forgiven each year.</p>				●
Target Population	Low and Moderate Income (<100 percent AMI) owner-occupants of 1- and 2-unit properties in Southeast San Diego Redevelopment Area in Southeastern Economic Development Corporation’s (SEDC) Area of Influence.				R e d e v e l o p m e n t
Application Method	Applications for loans to be accepted by program sponsor on an ongoing basis after an initial Notice of Funding Availability.				
Scope	<ul style="list-style-type: none"> <li>● <i>Crossroads, College Grove and Grantville</i></li> </ul> <p>Three percent Deferred Payment Forgivable Housing Enhancement Loan Program (HELP) loans up to \$20,000, plus \$5,000 bonus for water- or energy-conserving improvements. Repay 100 percent of principal plus three percent interest if sold within first five years. Beginning sixth year, 20 percent of principal forgiven each year.</p>				
Target Population	Low and Moderate Income (<100 percent AMI) owner-occupants of 1- and 2-unit properties in Crossroads, College Grove and Grantville Redevelopment Areas.				



Application Method	Applications for loans to be accepted by program sponsor on an ongoing basis after an initial Notice of Funding Availability.				
Scope	<ul style="list-style-type: none"> <li><b>Linda Vista Community Plan Area:</b></li> </ul> <p>Three percent Deferred Payment Forgivable Housing Enhancement Loan Program (HELP) loans up to \$20,000. Repay 100 percent of principal plus three percent interest if sold within first five years. Beginning sixth year, 20 percent of principal forgiven per year.</p>				
Target Population	Low and Moderate Income (<100 percent AMI) owner-occupants of properties in Linda Vista Community Plan Area.				
Application Method	Applications for loans to be accepted by program sponsor on an ongoing basis after an initial Notice of Funding Availability.				
Scope	<ul style="list-style-type: none"> <li><b>City Heights, San Ysidro and North Park:</b></li> </ul> <p>Three percent Deferred Payment Forgivable Housing Enhancement Loan Program (HELP) loans up to \$25,000, plus \$5,000 bonus for water- or energy-conserving improvements. Repay 100 percent of principal plus 3 percent interest if sold within first five years. Beginning sixth year, 20 percent of principal forgiven per year.</p>				
Target Population	Low and Moderate Income (<100 percent AMI) owner-occupants of properties in City Heights, San Ysidro and North Park Redevelopment Areas.				
Application Method	Applications for loans to be accepted by program sponsor on an ongoing basis after an initial Notice of Funding Availability.				
<b>Owner-Occupied Lead Paint Remediation Grants</b>		HTF	INCL	HOME	OTHER
Scope	Non-repayable grant up to \$10,000 for a single family residence and up to \$5,000 per unit plus \$5,000 for common areas in multi-family property for the remediation of lead based paint hazards.			●	
Target Population	Low Income (<80 percent AMI) owner and tenant occupants of residential property citywide, constructed prior to 1979 and occupied or frequently visited by families with children under six years old.				
Application Method	Applications for grants come from referrals of County Health Dept. of children under six with high EBLL readings, referrals from Code Compliance and from door to door marketing and educational meetings from the Environmental Health Coalition in the targeted area.				
<b>Healthy Homes Repair Grants - Mobile Homes</b>		HTF	INCL	HOME	OTHER
Scope	A small repair grant program to allow very low-income households permanently residing in mobile homes to address "health and safety" issues.	●			

Target Population	Very low-income (<60 percent AMI) owner-occupants of mobile homes.				
Grant Terms	A maximum of \$5,500.				
Application Method	Applications for mobile home repair grants to be accepted on an ongoing basis after an initial NOFA until all funds are exhausted.				

**NONPROFIT CAPACITY BUILDING - Affordable Housing Developers**

<b>Project-Based Predevelopment Financial Assistance</b>		HTF	INCL	HOME	OTHER
Scope	<p>Predevelopment Financial Assistance includes the following:</p> <ol style="list-style-type: none"> <li><u>Early Assistance Loans to Nonprofit Developers</u>: A maximum of \$15,000 is available for preliminary feasibility activities such as appraisal, site control, and Phase I environmental studies. Early Assistance loans can be considered for forgiveness if the project does not proceed.</li> <li><u>Project Support Grants</u>: When the Early Assistance due diligence has been completed, funds may be available for paying predevelopment costs (staff and consultant or administrative expenses) for an identified project through a Project Support Grant. Minimum grant is \$10,000.</li> <li><u>Predevelopment Loans</u>: If approved, the Early Assistance Loan can be incorporated into a Predevelopment Loan to include additional predevelopment expenses, i.e., architectural, engineering, consultant and legal fees, site preparation, environmental assessments, purchase options, long-term escrow earnest money and project-specific professional housing development staff time. A Predevelopment Loan without Early Assistance may be appropriate in some cases. Typically, the Predevelopment Loan is repaid out of a project's permanent financing. Loan amount based on project's financial feasibility and available funding.</li> </ol>	●			
Target Population/ Beneficiaries	Nonprofit corporations whose express purpose is the development, acquisition, or rehabilitation of housing that will be predominately occupied by very low- and low-income households.				
Loan Underwriting	No specified underwriting criteria. Proposals to be considered on an ongoing basis. Generally, applicants must: 1) have been in existence for two years; 2) provide evidence of multi-year organizational ability or that principals have suitable experience to complete the project; 3) develop a feasible work program which identifies how the organization will reach its objective; 4) meet the Housing Commission Minimum Organization Standards for Nonprofit Loan Applicants; and 5) be expected to complete the project.				
Application Method	Applications for predevelopment loans to be accepted on an ongoing basis after an initial NOFA.				

<b>Emergency Loan Fund Program</b>		HTF	INCL	HOME	OTHER
Target Population/ Beneficiaries	<p>The target populations and loan underwriting conditions of Project-Based Predevelopment Financial Assistance apply.</p> <p>In addition, the following eligibility restrictions apply: 1) applicant has a demonstrated pipeline of development projects located in the City; 2) applicant has not received an emergency loan from the Housing Trust Fund within the past three years, or has repaid such loan(s) in full; 3) applicant's need for emergency loan is based on a cash flow problem where funds anticipated to repay the loan can be identified.</p> <p>Borrowers are required to demonstrate ability to repay.</p>	●			
<b>Nonprofit Technical Assistance</b>		HTF	INCL	HOME	OTHER
Scope	A technical assistance program that will assist nonprofit corporations and limited equity cooperatives in developing affordable housing. Program to provide "hands on" technical assistance in such areas as concept development, site assessment and acquisition, feasibility analysis, specification writing, bid packaging and review, permit procedures, construction oversight, grants and application preparation, and record keeping required by funding sources.	●			
Target Population/ Beneficiaries	Nonprofit corporations and limited equity cooperatives with limited housing experience.				
Grant Terms	Grant is for the delivery of technical assistance services to nonprofit housing developers. Scope of work will be articulated in contract documents.				
Application Method	Funds to be made available through RFP or Housing Commission contract policy.				

<b>HOUSING INITIATIVES</b>					
<b>Homeless Programs, Permanent Supportive Housing, Transitional Housing</b>					
<b>Connections Housing</b>		HTF	INCL	HOME	OTHER
Scope	Connections Housing is a year-round residential and service center for local homeless individuals. The Housing Commission provides funding for 150 interim housing beds and 73 permanent supportive housing units. A multi-agency service "mall" is on the ground floor for all participants to access support services to assist them in achieving housing stability and self-sufficiency.				●
Target Population	Homeless Individuals.				
Terms	Up to 90 days for interim housing beds. Indefinite term for permanent supportive housing units.				

<b>Emergency Winter Shelter Program</b>		HTF	INCL	HOME	OTHER
Scope	The Housing Commission helps fund a shelter that provides 150 beds per night for homeless veterans from December through April. Non-profit partner agencies provide health-care, legal assistance and job referrals.				●
Target Population	Homeless military veterans.				
<b>Hotel/Motel Vouchers</b>		HTF	INCL	HOME	OTHER
Scope	When other shelter is not available, homeless families can apply for emergency hotel/motel vouchers. The Housing Commission provides funding for this program, which is administered by the County of San Diego.				●
Target Population	Elderly persons 65 or older, families with children, persons with severe disabilities, and pregnant women (on a case-by-case basis).				
Terms	14-28 days.				
Application Method	Administered by the County of San Diego.				
<b>Neil Good Day Center</b>		HTF	INCL	HOME	OTHER
Scope	Homeless Individuals are provided with laundry facilities, showers, mail, case management and referral services. The Center serves more than 3,000 individuals annually.				●
Target Population	Homeless adults.				
Terms	Daytime Year Round.				
<b>Regional Continuum of Care Consortium (RCCC) Support</b>		HTF	INCL	HOME	OTHER
Scope	The Housing Commission is a member of the RCCC, and is co-lead with the County of San Diego. The RCCC has 75 members from a broad spectrum of the community including providers of services, government agencies and the private sector. It oversees homeless assistance funds for the region.				●
Target Population	Programs and services for homeless San Diegans.				
<b>Regional Task Force on the Homeless (RTFH)</b>		HTF	INCL	HOME	OTHER
Scope	The Housing Commission supports the RTFH and helps fund the HMIS (Homeless Management Information System) activities for the RCCC, allowing the community and service providers to better plan and provide necessary services.				●

<b>Security Deposit Program - Emergency Solutions Grant (ESG)</b>		HTF	INCL	HOME	OTHER
Scope	Program provides one-time security deposits for homeless individuals and families.				● E S G
Application Method	Clients are referred by nonprofits that provide case management.				
<b>Shelter Plus Care (SPC)</b>		HTF	INCL	HOME	OTHER
Scope	SPC is a federally funded HUD program which provides rental assistance for organizations providing permanent housing with services for homeless and disabled individuals and families. The Housing Commission is the grantee for the SPC program grants. Funding for new SPC grants is competitive within the Continuum of Care and the Housing Commission participates as part of the San Diego region's annual Continuum of Care NOFA. HUD's goal for permanent housing is 77% stay housed for 6 months.				●
Target Population	Disabled homeless individuals.				
Terms	Indefinite (Permanent Supportive Housing)				
Application Method	HUD Continuum of Care NOFA.				
<b>Sponsor-Based Voucher Program</b>		HTF	INCL	HOME	OTHER
Scope	A rental assistance program for homeless individuals with diagnosed mental health or drug and alcohol disorders.			●	
Application Method	Vouchers are awarded to service providers via an RFP process.				
<b>Tenant-Based Rental Assistance Program</b>		HTF	INCL	HOME	OTHER
Scope	A small rental assistance program that provides rental assistance for an intermediate term.			●	
Target Population	Homeless individuals and families.				
Terms	Up to two years.				
Application Method	To be determined.				
<b>Transitional Housing and Permanent Supportive Housing Operating Support</b>		HTF	INCL	HOME	OTHER
Scope	A grant and loan program for nonprofit operators of transitional housing or permanent supportive housing. Grants and loans may be used for the leasing or operation of transitional housing and permanent supportive housing facilities as well as improvements to existing leased facilities. No more than 25 percent of grant funds may be used for administration and support services.	●			
Target Population	Very low-income homeless families and individuals who receive supportive services in a transitional housing or permanent supportive housing facility.				

Grant Terms	A maximum grant of \$13 per bed/night for Transitional Housing and a maximum annual grant of \$100,000 per project for Permanent Supportive Housing.				
Application Method	Funds for program to be made available through RFPs or NOFA.				

<b>Potential New Program</b>					
<b>Flexible Rehousing Program</b>		HTF	INCL	HOME	OTHER
Scope	A grant program for homeless service and housing providers that provides for a pool of resources available to support short term rental subsidies and supportive services post placement in permanent housing for those families and individuals transitioning from homelessness. The program design allows the provider flexibility to determine the appropriate level resources dedicated to both rental subsidies and supportive services that most appropriately meet the needs of individual clients.	●	●		
Target Population/ Beneficiaries	Very low- to low-income homeless families and individuals transitioning into permanent housing. The program would incentivize providers to target a portion of the resources to serve the chronically homeless.				
Terms	A pool of funds would be available to several housing and service providers. Successful outcome measurements would include the percentage of those families and individuals who remained housed one year after placement.				
Applic. Method	Funds would be available through an RFP process.				

<b>MISCELLANEOUS PROGRAMS</b>					
<b>Targets of Opportunity Program</b>		HTF	INCL	HOME	OTHER
Scope	A program developed to allow the Board the flexibility to take advantage of opportunities for affordable housing that cannot be funded through other Housing Trust Fund programs.	●			
Target Population/ Beneficiaries	Very low- and low-income households that will reside in housing made available through this program.				
Loan Terms	For acquisition, maximum term to maturity is 55 years. Payment of principal and interest due to be determined.				
Loan underwriting	Subject to loan policies of the San Diego Housing Commission unless specific exception as authorized by the Housing Commission.				
Application Method	Project selection for this program will be on a case-by-case basis subsequent to an initial NOFA advising that applications will be accepted at any time for projects that do not qualify under other Housing Trust Fund programs or that have time constraints that preclude following the RFP calendar.				

**SAN DIEGO HOUSING COMMISSION INCOME AND RENT CALCULATIONS**

U.S. Department of Housing and Urban Development 2012 SAN DIEGO MEDIAN INCOME:

**\$76,800**

Note: The table contains Income limits for 2012 extremely low, very low and low income, as adjusted for family size and other factors adopted and amended from time to time by the U.S. Department of Housing and Urban Development (HUD). HUD adjusted San Diego Very Low Income limits for a "high housing cost area" factor.

Family Size	Unit Size	Extremely Low Income 30% AMI (Adjusted by HUD)			35% AMI (Adjusted by HUD)			40% AMI (Adjusted by HUD)		
		ANNUAL INCOME <sup>1</sup>	GROSS RENT <sup>2</sup>	TCAC <sup>3</sup>	ANNUAL INCOME <sup>1</sup>	GROSS RENT <sup>2</sup>	TCAC <sup>3</sup>	ANNUAL INCOME <sup>1</sup>	GROSS RENT <sup>2</sup>	TCAC <sup>3</sup>
ONE	STUDIO	\$16,900	\$423	\$422	\$19,650	\$491	\$492	\$22,450	\$561	\$563
TWO	1-BR	\$19,300	\$483	\$452	\$22,500	\$563	\$527	\$25,700	\$643	\$603
THREE	2-BR	\$21,700	\$543	\$542	\$25,300	\$633	\$632	\$28,900	\$723	\$723
FOUR	3-BR	\$24,100	\$603	\$626	\$28,100	\$703	\$731	\$32,100	\$803	\$835
FIVE	4-BR	\$26,050	\$651	\$699	\$30,350	\$759	\$815	\$34,650	\$866	\$932
SIX	5-BR	\$28,000	\$700	\$771	\$32,600	\$815	\$899	\$37,250	\$931	\$1,028
SEVEN	6-BR	\$29,900	\$748		\$34,850	\$871		\$39,800	\$995	
EIGHT		\$31,850			\$37,100			\$42,350		

Family Size	Unit Size	Very Low Income 50% AMI (Adjusted by HUD)				60% AMI (Adjusted by HUD)			65% AMI (Adjusted by HUD)		
		ANNUAL INCOME <sup>1</sup>	GROSS RENT <sup>2</sup>	TCAC <sup>3</sup>	"Low HOME" <sup>3</sup>	ANNUAL INCOME <sup>1</sup>	GROSS RENT <sup>2</sup>	TCAC <sup>3</sup>	ANNUAL INCOME <sup>1</sup>	GROSS RENT <sup>2</sup>	"High HOME" <sup>3</sup>
ONE	STUDIO	\$28,150	\$704	\$703	\$722	\$33,780	\$845	\$844	\$36,550	\$914	\$920
TWO	1-BR	\$32,150	\$804	\$753	\$774	\$38,580	\$965	\$904	\$41,750	\$1,044	\$987
THREE	2-BR	\$36,150	\$904	\$903	\$928	\$43,380	\$1,085	\$1,084	\$47,000	\$1,175	\$1,187
FOUR	3-BR	\$40,150	\$1,004	\$1,044	\$1,073	\$48,180	\$1,205	\$1,253	\$52,200	\$1,305	\$1,362
FIVE	4-BR	\$43,400	\$1,085	\$1,165	\$1,197	\$52,080	\$1,302	\$1,398	\$56,400	\$1,410	\$1,500
SIX	5-BR	\$46,600	\$1,165	\$1,285	\$1,321	\$55,920	\$1,398	\$1,542	\$60,550	\$1,514	\$1,637
SEVEN	6-BR	\$49,800	\$1,245		\$1,445	\$59,760	\$1,494		\$64,750	\$1,619	\$1,774
EIGHT		\$53,000				\$63,600			\$68,900		

Family Size	Unit Size	70% AMI (Adjusted by HUD)		80% AMI (Adjusted by HUD)		100% Area Median Income (No HUD adjustment)		120% AMI (No HUD adjustment)	
		ANNUAL INCOME <sup>1</sup>	GROSS RENT <sup>2</sup>	ANNUAL INCOME <sup>1</sup>	GROSS RENT <sup>2</sup>	ANNUAL INCOME <sup>1</sup>	GROSS RENT <sup>2</sup>	ANNUAL INCOME <sup>1</sup>	GROSS RENT <sup>2</sup>
ONE	STUDIO	\$39,350	\$984	\$45,000	\$1,125	\$53,150	\$1,329	\$63,750	\$1,594
TWO	1-BR	\$44,950	\$1,124	\$51,400	\$1,285	\$60,700	\$1,518	\$72,900	\$1,823
THREE	2-BR	\$50,600	\$1,265	\$57,850	\$1,446	\$68,300	\$1,708	\$82,000	\$2,050
FOUR	3-BR	\$56,200	\$1,405	\$64,250	\$1,606	\$75,900	\$1,898	\$91,100	\$2,278
FIVE	4-BR	\$60,700	\$1,518	\$69,400	\$1,735	\$81,950	\$2,049	\$98,400	\$2,460
SIX	5-BR	\$65,200	\$1,630	\$74,550	\$1,864	\$88,050	\$2,201	\$105,700	\$2,643
SEVEN	6-BR	\$69,700	\$1,743	\$79,700	\$1,993	\$94,100	\$2,353	\$112,950	\$2,824
EIGHT		\$74,200		\$84,850		\$100,200		\$120,250	

\* TCAC = Tax Credit Allocation Committee

1. Annual income = Gross annual income adjusted by family size for Area Median Income (AMI) level. May contain additional adjustments as determined annually by HUD.
2. Gross rent minus utility allowance = maximum cash rent. See the "San Diego Housing Commission Utility Allowance Schedule" to calculate the utility allowance based on the project's actual utility mix.
3. For projects with multiple funding sources, use the lowest rents applicable and/or apply HUD's MTSP "Hold Harmless" policy. "Low HOME" and "High HOME" rents effective February 9, 2012.

Note: Due to the Housing and Economic Recovery Act of 2008 the data presented in this chart may not be applicable to projects financed with Section 42 Low Income Housing Tax Credits (LIHTC) or section 142 tax exempt private equity bonds (MTSP). If you believe your affordable housing project is affected by this change and have questions regarding the 2012 Rent & Income limits, please contact Irma Betancourt at [irmab@sdhc.org](mailto:irmab@sdhc.org).

This general income and rental rate information is derived from the U.S. Department of Housing and Urban Development very low income figures published November 30, 2011. HOME Rents effective February 9, 2012.