

**REPORT**

DATE ISSUED: March 9, 2009 REPORT NO: HCR 09-033

ATTENTION: Chair and Members of the Housing Commission  
For the Agenda of March 20, 2009

SUBJECT: Authorization to accept and utilize American Recovery and Reinvestment Act Grant Funds (Citywide)

**REQUESTED ACTION:**

That the Housing Commission authorize the President & Chief Executive Officer or designee to accept funding from the American Recovery and Reinvestment Act (ARRA) of 2009 Public Housing Capital Fund in the amount of \$2,173,051 and authorize the proposed use of same to provide additional public housing units in the City of San Diego, pursuant to the provisions of San Diego Municipal Code Section 98.0301(d).

**STAFF RECOMMENDATION:**

- 1) Recommend that the Housing Commission authorize the President & Chief Executive Officer or designee to accept the American Recovery and Reinvestment Act of 2009 Public Housing Capital Fund Grant, available to the Commission, in the amount of \$2,173,051 pursuant to the provision of San Diego Municipal Code Section 98.0301(d).
- 2) Authorize the President & Chief Executive Officer or designee to authorize the proposed use of said grant funds in accordance with approved Business Plan and applicable policies.
- 3) Include the funding in the FY2010 budget currently being developed.

**BACKGROUND:**

The U.S. Department of Housing and Urban Development (HUD) established the Capital Fund program to provide financial assistance to housing authorities to improve the physical condition and upgrade the management and operation of existing public housing projects to assure that such projects continue to be available as affordable housing for eligible residents.

On or about February 17, 2009, President Barak Obama signed into effect the American Recovery and Reinvestment Act. Notably, the act provides an additional \$4 billion for the Public Housing Capital Fund to carry out capital and management activities for Public Housing Agencies, as authorized under Section 9 of the United States Housing Act of 1937 (42 U.S.C 1437g) (the "Act").

On or about February 24, 2009, HUD notified the San Diego Housing Commission that it is eligible to receive \$2,173,051 in Federal funds under the ARRA. This award has been identified, through Annual Contributions Contract (ACC) Amendment, as Grant Number CA16S06350109.

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As a requirement for receiving the grant, not later than April 10, 2009, PHAs are to submit a Capital Fund Annual Statement Form 50075.1 describing the specific activities that they will undertake with the ARRA grant funds (Attachment 1). In addition, also by April 10, 2009, PHAs will be required to submit a resolution from their governing Board with their Capital Fund Annual Statement for the ARRA grant funding (Attachment 3). San Diego Municipal Code Section 98.0301(d) provides in pertinent part:

“Notwithstanding anything to the contrary in Section 98.0301(d)(8), in circumstances where it is not feasible to obtain review and approval by the Housing Authority on or before the established deadline, the Executive Director shall have the authority to execute documents required to be executed by the United States Department of Housing and Urban Development (“HUD”) or other agencies in a timely matter in order to meet any deadlines imposed by those agencies.”

In this instance the time parameters to accept this grant of in excess of Two Million dollars will not allow time for the Housing Authority to approve this matter. Accordingly, the Executive Director (now the Chief Executive Officer) has the authority to execute documents to allow for the acceptance of this Grant. However, HUD requires a resolution and for that reason, this matter is being scheduled for hearing and approval before the Commission. After the monies are received, the funds will be placed in the FY 2010 budget and the Housing Authority will have the ability to weigh in on the ratification of the expenditure of the funds.

The proposed work under this grant will be for the acquisition and/or development of new Public Housing units throughout the City of San Diego (Attachment 1).

FISCAL CONSIDERATIONS:

The ARRA Capital Fund Grant will provide \$2,173,051 in Federal funding. These funds will be incorporated into the proposed FY2010 SDHC budget.


ENVIRONMENTAL REVIEW:

Under applicable federal regulations, the response to the funding application does not require compliance with National Environmental Policy Act at this time. If and when funds are received, in appropriate circumstances, Determinations of Exemption and/or Exclusion will be sought prior to commitment of the funds in accordance with applicable federal regulations. The application for a federal grant is “not a project” under the provision of the State of California Environmental Quality Act guidelines.

Respectfully submitted,

  
Steve Snyder  
Director of Asset Management

Approved by,

  
Carrol M. Vaughan  
Executive Vice President &  
Chief Executive Officer

Attachments: 1- 501-09 Capital Fund Annual Statement  
2- Capital Fund 5-Year Plan  
3- Board Resolution

Attachment 1

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program and Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 4/30/2011

| Part I: Summary  |  |  |              |  |          |
|--|--|--|--------------|--|----------|
| PHA Name: San Diego Housing Commission   |  | Grant Type and Number<br>Capital Fund Program Grant No. CA16S063-901-09<br>Date of CFFP: |              | Replacement Housing Factor Grant No.:<br>FFY of Grant Approval: 2009 |          |
| Type of Grant<br><input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no.: )<br><input type="checkbox"/> Performance and Evaluation Report for Period Ending: <input type="checkbox"/> Final Performance and Evaluation Report |  |  |              |  |          |
| Line   | Summary by Development Account   | Total Estimated Cost   |              | Total Actual Cost  |          |
|  |  | Original   | Revised      | Obligated  | Expended |
| 1  | Total non-CFP Funds  |  |              |  |          |
| 2  | 1406 Operations  |  |              |  |          |
| 3  | 1408 Management Improvements   |  |              |  |          |
| 4  | 1410 Administration  |  |              |  |          |
| 5  | 1411 Audit   |  |              |  |          |
| 6  | 1413 Liquidated Damages  |  |              |  |          |
| 7  | 1430 Fees and Costs  |  |              |  |          |
| 8  | 1440 Site Acquisition  |  |              |  |          |
| 9  | 1450 Site Improvement  |  |              |  |          |
| 10   | 1460 Dwelling Structures   |  |              |  |          |
| 11   | 1465.1 Dwelling Equipment - Non-expendable                               |  |              |  |          |
| 12   | 1470 Non-Dwelling Structures   |  |              |  |          |
| 13   | 1475 Non-Dwelling Equipment  |  |              |  |          |
| 14   | 1485 Demolition  |  |              |  |          |
| 15   | 1492 Moving to Work Demonstration  |  |              |  |          |
| 16   | 1493.1 Relocation Costs  |  |              |  |          |
| 17   | 1499 Development Activities  | \$   | 2,173,051.00 |  |          |
| 18a  | 1501 Collateralization or Debt Service                                   |  |              |  |          |
| 18ba   | 9000 Collateralization or Debt Service paid Via System of Direct Payment |  |              |  |          |
| 19   | 1502 Contingency   |  |              |  |          |
| 20   | Amount of Annual Grant: (sum of lines 2 - 19)                            | \$   | 2,173,051.00 | \$   | \$       |
| 21   | Amount of Line 20 Related to LBP Activities                              |  |              |  |          |
| 22   | Amount of line 20 Related to Section 504 compliance                      |  |              |  |          |
| 23   | Amount of line 20 Related to Security - Soft Costs                       |  |              |  |          |
| 24   | Amount of line 20 Related to Security - Hard Costs                       |  |              |  |          |
| 25   | Amount of line 20 Related to Energy Conservation Measures                |  |              |  |          |
| Signature of Executive Director  |  | Date   |              | Signature of Public Housing Director                                 |          |
|  |  |  |              | Date   |          |

# Attachment 1

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program and Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 Expires 4/30/2011

| <b>Part II: Supporting Pages</b>                     |  |                     |   |                      |         |                                  |                |                |
|--|--|---------------------|---|----------------------|---------|----------------------------------|----------------|----------------|
| <b>PHA Name:</b> San Diego Housing Commission        |  |                     | <b>Grant Type and Number</b><br>Capital Fund Program Grant No: CA165063-581-09      CFFP (Yes/No):<br>Replacement Housing Factor Grant No |                      |         | <b>Federal FY of Grant:</b> 2009 |                |                |
| Development<br>Number<br>Name/PHA-Wide<br>Activities | General Description of Major Work Categories       | Dev.<br>Account No. | Quantity  | Total Estimated Cost |         | Total Actual Cost                |                | Status of Work |
|  |  |                     |   | Original             | Revised | Funds Obligated                  | Funds Expended |                |
|  | a) PH Development Activities / Replacement Housing | 1499                |   | \$ 2,173,051.00      |         |                                  |                |                |
|  |  |                     |   |                      |         |                                  |                |                |
|  |  |                     |   |                      |         |                                  |                |                |
|  |  |                     |   | \$ 2,173,051.00      |         |                                  |                |                |



Attachment 2

Capital Fund Program - Five-Year Action Plan

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 4/30/2011

**Part I: Summary**

| PHA Name/Number: San Diego Housing Commission |  | Locality (City/County & State)     |                                    |                                    | <input checked="" type="checkbox"/> Original 5-Year Plan | <input type="checkbox"/> Revision No. |
|---|--|------------------------------------|------------------------------------|------------------------------------|--|---------------------------------------|
|   | Development Number and Name: CA16S063-501-09   | Work Statement For Year 1 FFY 2009 | Work Statement for Year 2 FFY 2010 | Work Statement for Year 3 FFY 2011 | Work Statement for Year 4 FFY 2012                       | Work Statement for Year 5 FFY 2013    |
| A.  | Physical Improvements Subtotal                 | Annual Statement                   | \$ 39,950.00                       |                                    |  |                                       |
| B.  | Management Improvements                        |                                    |                                    |                                    |  |                                       |
| C.  | PHA-Wide Non-dwelling Structures and Equipment |                                    |                                    |                                    |  |                                       |
| D.  | Administration                                 |                                    | \$ 4,700.00                        |                                    |  |                                       |
| E.  | Other  |                                    |                                    |                                    |  |                                       |
| F.  | Operations                                     |                                    | \$ 2,350.00                        | \$ 47,000.00                       | \$ 47,000.00   | \$ 47,000.00                          |
| G.  | Demolition                                     |                                    |                                    |                                    |  |                                       |
| H.  | Development                                    |                                    |                                    |                                    |  |                                       |
| I.  | Capital Fund Financing - Debt Service          |                                    |                                    |                                    |  |                                       |
| J.  | Total CFP Funds                                |                                    | \$ 47,000.00                       | \$ 47,000.00                       | \$ 47,000.00   | \$ 47,000.00                          |
| K.  | Total Non-CFP Funds                            |                                    |                                    |                                    |  |                                       |
| L.  | Grand Total                                    |                                    | \$ 47,000.00                       | \$ 47,000.00                       | \$ 47,000.00   | \$ 47,000.00                          |



Attachment 2

Capital Fund Program - Five-Year Action Plan

Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 4/30/2011

Part II: Supporting Pages - Physical Needs Work Statement(s)

| Work Statement for Year 1 FFY 2009 | Work Statement for Year: <u>4</u><br>FFY 2012                           |                            |                | Work Statement for Year: <u>5</u><br>FFY 2013                           |                            |                |
|------------------------------------|---|----------------------------|----------------|---|----------------------------|----------------|
|                                    | Development Number/Name General<br>Description of Major Work Categories | Quantity                   | Estimated Cost | Development Number/Name General<br>Description of Major Work Categories | Quantity                   | Estimated Cost |
| See Annual Statement               | Operations  |                            | \$ 47,000.00   | Operations  |                            | \$ 47,000.00   |
|                                    |   |                            |                |   |                            |                |
|                                    |   |                            |                |   |                            |                |
|                                    |   |                            |                |   |                            |                |
|                                    |   |                            |                |   |                            |                |
|                                    |   |                            |                |   |                            |                |
|                                    |   |                            |                |   |                            |                |
|                                    |   |                            |                |   |                            |                |
|                                    |   |                            |                |   |                            |                |
|                                    |   |                            |                |   |                            |                |
|                                    |   |                            |                |   |                            |                |
|                                    |   | Subtotal of Estimated Cost |                | \$ 47,000.00  | Subtotal of Estimated Cost |                |



Attachment 3

SAN DIEGO HOUSING COMMISSION

RESOLUTION NO. \_\_\_\_\_

ADOPTED ON \_\_\_\_\_

A RESOLUTION AUTHORIZING THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OR DESIGNEE TO ACCEPT AND AUTHORIZE THE PROPOSED USE OF THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) PUBLIC HOUSING CAPITAL FUND GRANT (CITYWIDE)

WHEREAS, on February 17, 2009, President Barak Obama signed into effect the American Recovery and Reinvestment Act (ARRA) providing \$4 billion for the Public Housing Capital Fund to carry out capital and management activities for Public Housing Agencies; and

WHEREAS, on or about February 24, 2009, the San Diego Housing Commission (the "Commission") was notified that it is eligible to receive \$2,173,051 in ARRA Grant funding; and

WHEREAS, the Commission has prepared the Capital Fund Grant Program Annual Statement in accordance with the U.S. Department of Housing And Urban Development Guidelines; and

WHEREAS, this document must be submitted in order to receive federal grant funds for improvements to public housing units and the acquisition and/or development of same;

WHEREAS, to expedite the acquisition of properties for public housing, the San Diego Housing Commission plans to use the authorization in its Amended and Restated Moving to Work Agreement to acquire sites without prior HUD approval, provided that the Commission certifies HUD site selection requirements have been met, subject to HUD approval of an amendment to the Commission's Moving to Work Demonstration Annual Plan allowing use of this authorization;

NOW, THEREFORE,

BE IT RESOLVED, by the Board of Commissioners of the San Diego Housing Commission, as follows:

Attachment 3

That the President & Chief Executive Officer of the San Diego Housing Commission or designee is authorized to accept the ARRA Public Housing Capital Fund Grant and Board of the Commission further authorizes the proposed use of same as presented under Housing Commission Report No. HCR09-033. In addition, the President & Chief Executive Officer is authorized to take any and all actions and to execute any and all documents as are reasonably necessary to implement this approval; and

BE IT FURTHER RESOLVED, that the Executive Director of the San Diego Housing Commission or his designee is hereby authorized to submit to HUD for its approval, the attached proposed amendment to the Commission's Moving to Work Demonstration Annual Plan for fiscal 2009, which would allow the Commission to acquire sites for public housing with formula public housing capital funds provided under the American Reinvestment and Recovery Act of 2009 without prior HUD approval.

APPROVED: Christensen & Spath, General Counsel

By: \_\_\_\_\_  
Charles B. Christensen