SAN DIEGO
HOUSING COMMISSION

Good Neighbors
San Diego
Housing Commission

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FACT SHEET

MISSION: We are committed to providing quality housing opportunities to improve the lives of those in need.

VISION: An affordable home for every San Diegan

HISTORY: The San Diego Housing Commission was established in 1979 by the San Diego City Council. Since its inception, the Commission's efforts have resulted in more than 26,000 affordable housing units throughout the City. While the Commission operates as a separate public entity in administering its programs, the Commission budget and programs are regularly reviewed by the City Council, sitting as the Housing Authority. Currently (FY2000) the Commission administers a $113.5 million budget with 245 employees.

PROGRAMS: The Commission helps house more than 40,000 San Diegans each year through innovative, award-winning programs that set trends nationwide. These programs include:

- Rental Assistance: More than 9,000 very low-income households are assisted annually to pay their rents in private housing through the Rental Assistance Program.
- Development of new housing: More than 5,000 affordable housing units with restricted rents have been made available through Commission programs in partnership with businesses, investors, and nonprofits. Tools used include loans, grants and land-lease restrictions, as well as a Multifamily Bond Program.
- Rehabilitation of older housing: More than 8,000 homes have been repaired in neighborhoods targeted for revitalization.
- Housing Management: Approximately 1,850 units are publicly owned and managed by the Commission throughout the City of San Diego.
- First-time Homebuyer Assistance: The Commission has assisted more than 3,000 buyers of lower and moderate incomes to purchase their first homes within the City of San Diego through its First-time Homebuyer Programs.

In addition, the Commission works with other organizations to meet special housing needs such as providing shelter for the homeless and offering programs to assist residents to become self-sufficient. The Commission also recommends housing related policies to the City of San Diego.

COMMISSIONERS:
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A State Agency *Authorized by the City of* San Diego

San Diego
Housing Commission
Briefing Book

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I. INTRODUCTION

The San Diego Housing Commission was established by the San Diego City Council in an effort to consolidate the City's housing programs and to improve their effectiveness in providing affordable, livable housing to San Diegans in need.

In 1993, the Housing Commission refined their existing Mission Statement and adopted the following, as the agency's mission: "Provide Quality Housing Opportunities Which Improve The Lives Of Those In Need." To achieve its mission, the Housing Commission will pursue the following goals.

- Assist those earning 50% or less of median area income as the highest priority.
- Advocate for and aggressively pursue increased funding for affordable housing programs.
- Forge partnerships among public, nonprofit and private entities to provide housing opportunities an integrated range of social services for segments of the community not adequately served.
- Implement resident initiatives including opportunities for self-sufficiency.
- Create a supportive and innovate work environment in order to enhance customer service and quality work.
- Conduct business in a manner that respects diversity and promotes dignity, self-reliance and equal opportunity for our clients and our partners.
- Build communication and alliances among neighborhoods, clients and others to further our Mission throughout the City.
- Inform, guide and educate the public about housing needs, fair housing and affordable housing programs.

To accomplish these goals, the Housing Commission has developed several programs which have resulted in the provision of assistance to thousands of low- and moderate-income families, seniors and disabled San Diego residents through both direct and indirect means.

Since its inception in 1979, the Housing Commission has provided more than 21,000 affordable housing units throughout the City of San Diego. More than 12,000 of these households have been or are currently being assisted through rental assistance programs such as the Section 8 Certificate and Voucher Programs. Approximately 6,000 new affordable housing units with restricted rents have been developed through Housing Commission programs. Through the Housing Commission's Housing Rehabilitation Program, more than 4,000 homes have been repaired in neighborhoods targeted for revitalization. And through the Housing Commission's Housing Management Program, the Housing Commission owns and manages nearly 1,700 public housing units.

In addition to the role it plays in providing affordable housing opportunities, the Housing Commission is the housing advocacy arm of the City of San Diego. While the Housing Commission operates as a separate public entity in administering its programs, all Housing Commission activities and programs are reviewed and approved by the City Council sitting as the San Diego Housing Authority. Housing Commission staff also receives regular input and direction from the agency's Board of Commissioners.

Housing Commission programs generally fall under the following Divisions: Housing Finance and Program Administration, which includes the Housing Trust Fund; Development Division; Housing Services, including all rental assistance programs; and the Operations Division.

II. HOUSING FINANCE AND PROGRAM ADMINISTRATION (HF&PA)

As the City's housing advocate, the Housing Commission is involved in the formulation of a myriad of important housing programs and policies. The Housing Finance and Program Administration (HF&PA) Division is comprised of four sections that are focused on providing affordable housing through the creation of financial and community partnerships. The sections include the Housing Finance Section, which includes the Housing Trust Fund; Loan Management Section, including the Occupancy Monitoring Program; the Research and Policy Development Section; and the Community Relations Section.

Legislative Development & Analysis

The Research and Policy Development Section has taken a lead role in the development of local ordinances concerning housing (e.g., the Housing Trust Fund, SRO Preservation Ordinances and the Balanced Communities Policy). Staff has also taken lead responsibility for developing the City of San Diego's General Plan, Housing Element, Comprehensive Housing Affordability Strategy and Consolidated Plan. The Section also analyzes many state and federal bills annually to determine their potential impact on the City. The Research and Policy Development Section staff functions as the Housing Commission's advocacy arm who, in conjunction with the City's Intergovernmental Relations Department, work to promote favorable legislation and to block legislation which would negatively impact the City and its efforts to provide decent, affordable housing.

Legislative analysis and monitoring is a critical activity for the Housing Commission that has long term effects on funding levels and program policies. In a typical year, approximately 250 proposed bills and reports relating to housing policies or land use and development incentives are considered by local, federal and state governments. This potential legislation must be reviewed and analyzed by the Commission so that it can recommend changes to proposed laws and regulations to create new and expanded housing opportunities and maintain existing programs.

Research, Planning & Evaluation

The Research and Policy Development Staff also undertakes research projects to increase the Housing Commission's knowledge about housing issues and how they impact San Diego. Housing Commission staff are active in planning new and continuing programs to more effectively address housing needs, and often are responsible for administration of these programs during their initial stages. Housing Commission staff also plays a lead role in preparing and/or reviewing the City's Housing Element and other significant housing related studies.

Loan Management

The Housing Commission's Loan Management Division is responsible for underwriting new rehabilitation loans and enforcement of existing contracts including collections and monitoring. Each year, Loan Management staff reviews hundreds of rehabilitation loan application from very-low and low-income homeowners who need financial assistance to return their homes to safe and sanitary conditions. Once an application for rehabilitation assistance is received by the Housing Commission, Loan Management staff will make a preliminary determination of the applicants ability to undertake a loan and how much the applicant is capable of borrowing.

III. HOUSING DEVELOPMENT

The Housing Commission's Housing Development Division is responsible for First-time Homebuyer Programs, New Construction and Acquisition, federal and state financed Housing Development, and local incentives programs.

Federal and State Financed Housing Development

One objective of the Housing Development program is to develop multifamily housing that is owned and managed by the Housing Commission. The Housing Development program utilizes federal, state and local funding sources to provide rental housing for families, seniors and disabled persons of very low-incomes, at sites scattered throughout the City. Approximately 1,700 units have been produced through federal public housing (HUD), and state housing and community development programs.

Through this process, appropriate public housing sites are selected with local community group input. Once Housing Commission staff and community members have agreed on the conditions of the proposal, the proposed project goes before the Housing Commission Board for approval and forwarding to the San Diego City Council sitting as the Housing Authority for final approval. Once approved, Housing Commission staff monitor all phases of construction, and, after all specifications are met, control of the units is transferred to the Commission's housing management staff for tenant selection and ongoing property management.

Local Incentives

Using various local incentives, the Housing Commission works in partnership with private developers to produce affordable rental and for-sale housing, housing which outside of such a partnership would not normally be developed.

The incentive typically offered to the developer by the Housing Commission is what is referred to as "gap financing." Through this program, the Housing Commission requires the developer to commit 10 percent of the equity needed for the project. In exchange for Commission assistance, the developer is required to make a minimum of 20 percent of the development's rental units affordable to low- and moderate-income families or persons with incomes below 70 percent of the median income. This program has offered land cost write-downs, technical assistance to nonprofit entities, and supplemental funding in conjunction with other government programs. In addition, affordable home purchase opportunities have been provided.

THE FIRST-TIME HOMEBUYER PROGRAMS

The Mortgage Credit Certificate Program

The San Diego Housing Commission offers several programs to assist the first-time homebuyer . More than 2,500 families and individuals have participated in the Housing Commission's Mortgage Credit Certificate (MCC) program which provides purchase assistance to first-time homebuyers, of new or existing housing units anywhere within the City of San Diego. The MCC enables the buyer to take a Federal income tax credit of twenty percent of the annual interest paid on the mortgage. The remaining eighty percent of the annual mortgage interest is treated as a standard Federal tax deduction. The MCC tax credit reduces the federal taxes of the buyer, who then has more income to spend on buying a home. Generally, the MCC enhances the buyer's purchasing power by about 17 to 23 percent. The tax credit is in effect for the life of the first mortgage loan, provided the homebuyer remains the occupant and owner of record.

First-time homebuyers purchasing in targeted census tracts are eligible for a closing cost loan of up to $3,000. This "silent second" requires no monthly payments, is due on sale, and is forgiven after the recipient has owned and occupied the residence for 15 years.

Shared Equity Loans

Through the Housing Commission's Shared Equity Loan program, eligible buyers earning below eighty percent of the median San Diego income receive financial assistance in the form of an equity participation loan, secured by a second deed of trust. The amount available to the individual borrower will represent the minimum amount needed to make an eligible property affordable to the particular household.

Downpayment Assistance Grants

For eligible first-time homebuyers needing cash assistance, the Housing Commission offers Downpayment Assistance Grants. Buyers apply for the grant through their mortgage broker or banker who is originating the first mortgage. The grant is equal to two percent of the sales price and is "recoverable" - meaning that payback of the principal is required if the owner sells or refinances within the first six years.

HOMEWORKS! Purchase/Rehabilitation Program

Through the HOMEWORKS! Purchase and Rehabilitation Program, the Housing Commission, the Federal Home Loan Mortgage Corporation (Freddie Mac) and Glendale Federal Bank have joined together to offer homebuyer assistance to qualified low-income first-time hombuyers desiring to purchase older homes in need of repair.

Through HOMEWORKS!, buyers select homes from available homes in need of rehabilitation. The buyer then receives a first trust deed mortgage loan from a private lender, Glendale Federal, at conventional terms to fund the purchase price. The Housing Commission provides technical assistance in estimating the cost of repairs, selection of a contractor and provides a deferred second trust deed mortgage loan (Silent Second) to pay for the needed rehabilitation. A Down Payment Assistance Grant and MCC may also be available. The total amount of the HOMEWORKS! loans may equal one hundred percent of the estimated value of the home after the rehabilitation is complete.

Low-Income Housing Tax Credits

As an equity investment which is not repaid, Low-income Housing Tax Credits are of great assistance in the development of nonprofit housing. The Housing Commission works with developers who are interested in obtaining Federal low-income tax credits for the development of rental housing. Through the program, maximum tenant income and rent restrictions are imposed which help to increase the supply of affordable housing. The credits provide a direct reduction of the tax liability for the limited partner equity investors in qualified buildings for a period of ten years based on the cost to develop, rehabilitate, or acquire the building and the percentage of units set aside for occupancy by eligible households. As the tax credits are utilized, the amount of the equity investment is reduced until the nonprofit partners own all of the property.

Density Bonus Program

Since 1981, local governments have been required by state law to grant density bonuses or similar incentives to developers who agree to build housing that is affordable to persons of low- and moderate-income. The San Diego City Council's Density Bonus Ordinance (April 1981) authorizes the Commission to approve up to a 25 percent increase in project density for those developers who make the "bonus" units affordable to households with incomes 80 percent or less than the median income for San Diego. The bonus units, which may be rented or sold, must remain at that level of affordability for 20 years. Recently passed legislation may reduce affordability restriction periods to ten years. The Commission verifies tenant/owner eligibility, revises rents annually and monitors compliance for the 20-year term of the agreement. To date, the density bonus program has encouraged the development of more than 1,000 additional affordable units throughout the City in developments ranging in size from 5 to 350 units.

Senior Citizen Housing CUP Program

This program encourages the development of new senior citizen housing in San Diego. Developers are offered incentives of increased density up to 50 percent over the underlying zoning and reduced parking space requirements in exchange for developing needed senior housing projects. This program helps the City meet the well-documented need for affordable housing that meets the specific needs of our senior citizens.

The Housing Commission's responsibilities under the program are twofold. Since December 1986, developers of new senior housing projects have been required to enter into an agreement with the Housing Commission to provide affordable units to low-income seniors. When the units are occupied, Housing Commission staff continue to monitor the developments to ensure that at least one household member per unit is a senior citizen or disabled. This ongoing monitoring effort covers 73 senior housing developments representing approximately 3,530 rental units.

SRO Hotel Policy & Programs

Single Room Occupancy hotels or SROs are one of the City's most valuable housing resources. Concentrated in the downtown area, SROs provide affordable housing to very low-income individuals, many of whom are elderly or disabled. SROs also provide a needed housing alternative for individuals trying to make the transition from homelessness. There are currently 65 SROs in San Diego's urban core, providing housing for approximately 3,400 individuals. Very-high occupancy rates and in many cases, waiting lists, indicate there is a demand for additional SRO units in San Diego.

In 1985, the City Council adopted a housing policy prohibiting the demolition of SROs unless the affordable units are replaced either downtown or elsewhere in the City. The Housing Commission took a leadership role in developing City policies to preserve and rehabilitate existing SROs. In implementing this policy, the Housing Commission has worked in partnership with private developers and nonprofits to build new SRO hotels. To date, the Housing Commission has participated in the development of eleven SRO hotels which provide 1,468 SRO units, 722 of which maintain restricted rents.

IV. HOUSING REHABILITATION (REHAB)

The Housing Rehabilitation Program is aimed at revitalizing the City's older neighborhoods. The goals of the program are to preserve the existing housing stock, stabilize our neighborhoods, and provide decent, safe and sanitary housing to low- and moderate-income families within target areas. The program includes owner occupied and rental housing rehabilitation.

Funding sources for rehabilitation projects have extensive eligibility requirements and regulations as to the income of residents, location of property, nature of work to be completed and the number of units within the project. Within these guidelines, the financing for each rehabilitation project is specifically packaged.

Owner Occupied Rehabilitation

This program offers below-market interest rare loans and technical assistance to homeowners to rehabilitate their homes. Loans are made to applicants who reside in designated "slum and blight" areas. The criteria for this program specify that the rehabilitation project must be a benefit to low- and moderate-income persons or families and/or aid in the prevention or elimination of slums or blight.

Rental Property Rehabilitation

The Rental Rehabilitation Program provides financial and technical assistance to rental owners and rental subsidies to eligible tenants for the rehabilitation of rental properties. Rental properties must be occupied primarily by low- or moderate-income tenants, and projects must be located in the Commission's target areas.

Section 8 Moderate Rehabilitation Program

This program assists rental owners whose properties are in the early stages of deterioration. Applicants, whose properties must lie in the designated target area, obtain rehabilitation construction financing from a conventional lender or other private sources. When construction is completed, the Commission assumes the monthly rental subsidy payments on behalf of the eligible tenants. This arrangement creates affordable rental housing, helps to revitalize neighborhoods, and provides an incentive for property owner participation.

Mt. Hope Neighborhood Conservation Program (NCP)

This rehabilitation program is a joint effort by the San Diego Housing Commission, The Southeast Economic Development Corporation, and the Redevelopment Agency of the City of San Diego. It was designed to offer zero to low-interest loans to low-income residents of the Mt. Hope Community who want to rehabilitate their homes. The NCP also includes the availability of other services to aid in the overall revitalization of the neighborhood. Some of the services include: litter control, graffiti removal, abandoned car removal, and weed abatement. Residents will again be able to take pride in their community by improving the environment in which they live.

V. HOUSING MANAGEMENT

Public Housing Program

The goal of the Commission's Housing Services Section is to maintain a decent, safe and habitable living environment for low-income seniors, disabled persons, families and others living in Housing Commission-managed public housing developments. The Housing Commission's responsibilities include maintaining the Commission's waiting list; determining tenant eligibility; tenant screening and selection; tenant certification; collecting rents; property maintenance (in Commissioned-owned housing); occupancy control; assistance termination; and tenant relations.

The Public Housing program is a federally funded program which allows a public housing authority to develop or acquire rental housing for low-income seniors, disabled persons and families. The tenant's rental rate is individually determined based on the total household income. Participants generally pay no more than 30% of their income towards their rent. Local funds augment HUD financing to meet balanced community goals, developing housing in all areas of the city. A State-financed program operates similarly.

Unlike other programs which encourage public/private partnerships, public housing must be owned and managed by the Housing Commission. The Housing Commission competitively selects local architectural and construction firms to design and construct all new developments.

Affordable and livable publicly owned rental housing is scattered throughout the City. The Housing Commission owns and manages more than 1.700 apartments and houses in over 150 sites throughout the City. The Commission recently completed the construction of two public housing developments. The 45-unit El Camino Real Townhomes are the first affordable housing development ever built in the Carmel Valley area of San Diego. Construction of the seven-unit Saranac Townhomes public housing development which borders the City of La Mesa was completed in mid-August of 19%. The Housing Commission anticipates that construction of two other public housing developments will be completed by late Fall of 1996.

Throughout the years, the San Diego Housing Commission has received several awards in recognition of our outstanding public housing program. Most recently, the Housing Commission was acknowledged in a *San Diego Union-Tribune* editorial, "Good public housing? San Diego's an example," written by the Honorable Henry Cisneros, Secretary of HUD. In the editorial Secretary Cisneros said, "During our recent National Public Housing summit, it became clear that San Diego's public housing is a good example of public housing that works for residents. The San Diego Housing Commission is a high performer under an objective rating system. The Housing Commission received a score of over 93, out of 100 possible."

Mixed-income Housing

In May of 1995 the Housing Authority authorized the purchase of a 132-unit apartment complex located in Mira Mesa known as the Maya Linda Apartments. Of the 132-units, thirty percent of the units are set-aside as affordable units. Twenty percent are rented to families earning less than fifty percent of median area income and ten percent are rented to families earning less than sixty percent of the median-area income. The remaining units are rented at market rates. The Housing Commission's conversion of the Maya Linda Apartments into a mixed-income complex has resulted in a significant rent reduction for many of the developments low-income residents.

VI. RESIDENT SERVICES

The Housing Commission's Resident Services Program provides agency clients with an opportunity to improve their skills through a variety of education, job training and skills development programs. In addition, Resident Services provides special youth programs including tutoring, recreational programs and youth diversionary activities. Working in collaboration with community organizations including, social service providers, area colleges and universities and nonprofit agencies, clients living in public housing units have access to several resident empowerment programs designed to promote upward mobility and promote self-sufficiency.

The Family Self-Sufficiency

The Family Self-Sufficiency (FSS) Program is a partnership among Public Housing and Rental Assistance clients, community agencies and the Housing Commission. Each FSS participant develops a career plan for improving their education and job skills, with a long term goal of full employment and economic freedom. All FSS participants receive continuous support from the Housing Commission and participating agencies with furthering their education, improving basic skills, completing vocational training, beginning their own businesses and/or purchasing their own homes.

Opportunity Centers

Through Housing Commission established Opportunity Centers located on public housing sites, school age children receive valuable tutoring assistance provided by local college students and volunteers. Thus far, the Housing Commission has established opportunity centers at three public housing developments. While there, students can either participate in programs which help to improve their grades or participate in recreational programs which serve as a deterrent to gang and drug involvement. More than 90 percent of student participants have seen an improvement in their school grades.

Cultural and Recreational Programs

The Housing Commission sponsors several activities for youth living in public housing developments which are designed to encourage a deeper appreciation of cultural differences and promote physical well being. Resident youth can participate in enriching camping trips and day hikes. Through the newly created Inner-City Games Foundation, youth residing in public housing developments now have the opportunity to participate in the Greater San Diego Inner-City Games activities. These activities are being designed to promote healthy positive year-round choices for youngsters in additional to providing youth with educational challenges.

VII. RENTAL ASSISTANCE

Through the Housing Commission's Rental Assistance programs, the agency assists more than 8,800 senior citizens, disabled persons, and families of lower incomes with their monthly rental payments. Rental Assistance program participants are generally required to pay no more than 30 percent of their household income towards rent.

Tenant Based Rental Assistance

The Section 8 Certificate Program

The Section 8 Existing Certificate program was created in 1974 by the federal government to assist low-income renters in privately owned, existing housing. Either owners, landlords or property managers are entirely responsible for tenant selection, rent collection and unit maintenance. The Commission certifies tenant eligibility and administers the U.S. Department of Housing and Urban Development (HUD) subsidy funds which assist renters in paying the difference between 30 percent of their incomes and the required rent. Landlords may not charge rents in excess of HUD-defined fair market rent ceilings for the City. Approximately 8,200 households are assisted by Section 8 Certificates each year.

Interested persons apply through the mail directly to the Commission's Waiting List Section. All eligible applicants are assisted as expeditiously as possible based on bedroom size requirements and available Certificates.

Section 8 Voucher Program

The Section 8 Voucher program was created by the federal government as a demonstration program with a goal of replacing the Section 8 Existing program with a less regulated, less costly subsidy program. There are no regulated limits on the rent an owner can charge; only what the Commission can pay. Participating Voucher program tenants assume responsibility for any rent increases. Some Voucher allocations have been tied to rental rehabilitation funding; some vouchers are available as a "freestanding" rental subsidy.

Section 8 - State Aftercare

A special allocation of Section 8 Certificates are set aside for the State Aftercare program which is exclusively for persons with mental or physical handicaps. The State of California Housing and Community Development department developed and administer the program through local public housing authorities like the San Diego Housing Commission.

Section 8 - Family Self-Sufficiency

The Family Self-Sufficiency (FSS) Program is a partnership among Public Housing and Rental Assistance clients, community agencies and the Housing Commission. Each FSS participant is assisted in developing a career plan for improving their education and job skills, with a long term goal of full employment and economic freedom. In addition to provide clients with Section 8 assistance, working in conjunction with community agencies, the Housing Commission provides participants with employment training, job placement, transportation, childcare, education and counseling services. Clients can then transition from dependency to self-sufficiency.

Special Needs Housing Assistance

Shelter Plus Care

The Shelter Plus Care program is a federal program which was created by HUD in 1993. Through an initial $1.5 million five-year grant, the Housing Commission has successfully provided assistance to 73 homeless individuals with disabilities. Shelter Plus Care recipients each receive assistance with housing, job training, and mental health treatment

Housing Opportunities for People with AIDS.

With the assistance of a $1.245 million grant received by the Housing Commission from HUD, individuals with AIDS can now receive assistance through the Housing for People with AIDS (HOPWA) program. This unique program is administered by the County of San Diego Office of AIDS Coordination. The grant provides housing and supportive services for low-income individuals with AIDS and AIDS related diseases including those with HIV infection and their families.

Project-based Rental Assistance

Section 8 - Moderate Rehabilitation

The Section 8 Moderate Rehabilitation program allows the Housing Commission to contract with property owners who rehabilitate deficient or substandard properties and agree to rent the rehabilitated units to low-income families for 15 years. Rent subsidies are tied to the specific units. Landlords advertise for low-income families when vacancies arise. Before the Moderate Rehabilitation projects was closed to new projects in 1988, more than 601 rental units received rehabilitation assistance. Like the Section 8 Existing program, Housing Commission staff are responsible for certifying applicant eligibility.

Section 8 - New Construction

Similar to the Section 8 Moderate Rehabilitation Program, Section 8 New Construction subsidies stay with specific units. Developers or public housing agencies apply to HUD prior to any construction for a 20-year Section 8 reservation for a specific project. Section 8 New Construction supplies a subsidy to assist the tenant in paying rent. It provides no financing to the developer, but the assurance of an income stream from Section 8 helps the developer to secure financing. University Canyon, owned by the Housing Commission, and 222 privately owned units were assisted through this program.

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