

ATTACHMENT 1:

Public Notices & Public Comments

FY 2017 CAPER

Public Comments & Staff Responses

Following are the questions and comments received on the Draft Fiscal Year 2017 CAPER and the responses provided by staff, where warranted. The Draft FY 2017 CAPER was made available for public review from September 6 through September 20, 2017.

During the public review period, the Draft Fiscal Year 2017 CAPER was posted online for viewing at the City of San Diego's CDBG Program website:

<http://www.sandiego.gov/cdbg>

During the public review period, hard copies were made available for viewing at the following locations:

- **City Clerk's Office** (202 'C' St., 2nd Floor, San Diego, CA 92101)
- **Economic Development Department** (1200 Third Ave., 14th Floor, San Diego, CA 92101)
- **Central Library** (330 Park Blvd., San Diego, CA 92101)
- **Malcolm X Library** (5148 Market St., San Diego, CA 92114)
- **San Ysidro Branch Library** (101 West San Ysidro Blvd., San Diego, CA 92173)
- **Logan Heights Branch Library** (567 South 28th St., San Diego, CA 92113)
- **City Heights/Weingart Branch Library** (3795 Fairmount Ave., San Diego, CA 92105)
- **Linda Vista Branch Library** (2160 Ulric St., San Diego, CA 92111)
- **Jacobs Center for Neighborhood Innovation** (404 Euclid Ave., San Diego, CA 92114)
- **Bayside Community Center** (2202 Comstock St., San Diego, CA 92111)

The public was provided the opportunity to send comments via U.S. Mail or hand-deliver to: **City of San Diego/FY 2017 CAPER Comments | 1200 Third Avenue, Suite 1400 | San Diego, CA 92101** or via email to: cdbg@sandiego.gov.



ORAL COMMENTS

Following are the oral comments provided by members of the public, the City Council, and the Consolidated Plan Advisory Board (CPAB) during the public hearings for the Draft FY 2017 CAPER. Where warranted, the response from staff follows the comment.

September 13, 2017 – Consolidated Plan Advisory Board Meeting

Joe LaCava, CPAB Member

- Mr. LaCava thanked staff for all their efforts in creating the report. Mr. LaCava asked how does staff respond to priorities and needs that may arise during the 5 year Con Plan.

Staff response:

The Substantial Amendments to the Con Plan should address priorities and goals that may change during the Con Plan period. As other priorities shift, staff will strategize what will be the most impactful use of CDBG funding.

Richard Thesing, CPAB Member

- Mr. Thesing thanked staff for all the hard work during the year in managing the various projects and programs.

Ken Malbrough, CPAB Co-Chair

- Mr. Malbrough thanked staff for all the hard work City staff has put into the report and all the accomplishments throughout the year.



SEPTEMBER 19, 2017 – CITY COUNCIL HEARING

Councilmember David Alvarez, District 8

- Mr. Alvarez thanked staff for their work on the report.
- Mr. Alvarez recommended that the next Substantial Amendment to the Con Plan should increase resources for homeless services.

Councilmember Georgette Gomez, District 9

- Ms. Gomez asked what type of outreach is done in preparing the Annual Action Plan and the CAPER.

Staff response:

Staff mentioned the 30-day public comment period for the Annual Action Plan and 15-day public comment period for the CAPER. Staff also maintains a distribution list of over 600 contacts and supports monthly meetings of the Consolidated Plan Advisory Board. The CAPER was distributed to six (6) City libraries (Malcolm X/Valencia, City Heights/Weingart, San Ysidro, Linda Vista, Logan Heights, Central) two (2) community centers (Jacobs Center, Bayside Community Center) and there are also copies available at the City Clerk's Office and the Economic Development Department.

Martha Welch (Submitted a speaker's slip in opposition)

- Ms. Welch stated that more funding should go into homeless services and affordable housing units.

Hud Collins (Submitted a speaker's slip in opposition)

- Mr. Collins stated more CDBG funding should go to homeless services and to ensure all recipients are U.S. citizens.



Written Comments

Kathryn Rhodes

Ms. Kathryn Rhodes submitted a letter dated September 19, 2017, via an email dated September 20, 2017 to the City's Economic Development Department. A complete copy of the letter is incorporated at the end of this section.

Staff Response:

Attachment 1 of the Draft Fiscal Year 2017 Consolidated Annual Performance and Evaluation Report (CAPER) included the PR-26 Report printed directly from the U.S. Department of Housing and Urban Development Integrated Disbursement and Information System (IDIS). This report was printed on September 05, 2017, and accurately reflected the IDIS information on that date.

Prior to submission of the final FY 2017 CAPER to HUD, an updated PR-26 will be printed from the IDIS system to incorporate the final FY 2017 draws and accurately reflect CDBG program expenditures as of the date printed.

The remainder of Ms. Rhodes' comments relate to San Diego Housing Commission, Civic San Diego, and the Recognized Obligation Payment Schedule of the Successor Agency to the City of San Diego's Redevelopment Agency, and cannot be addressed within the context of the FY 2017 CAPER.

THE DAILY TRANSCRIPT

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LEONARDO ALARCON
SAN DIEGO CITY/ECONOMIC DEV DEPT
1200 THIRD AVENUE SUITE 1400
SAN DIEGO, CA - 92101

PROOF OF PUBLICATION

(2015.5 C.C.P.)

State of California)
County of SAN DIEGO) ss

Notice Type: HRG - NOTICE OF HEARING

Ad Description:

CONSOLIDATED ANNUAL PERFORMANCE AND

I am a citizen of the United States and a resident of the State of California; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer and publisher of THE DAILY TRANSCRIPT, a newspaper published in the English language in the city of SAN DIEGO, and adjudged a newspaper of general circulation as defined by the laws of the State of California by the Superior Court of the County of SAN DIEGO, State of California, under date of 05/13/2003, Case No. GIC808715. That the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

09/06/2017

Executed on: 09/06/2017
At Los Angeles, California

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

[Handwritten Signature]

Signature

SD #: 3048750

NOTICE OF PUBLIC HEARINGS & PUBLIC REVIEW

CITY OF SAN DIEGO
DRAFT FISCAL YEAR 2017
Consolidated Annual Performance and Evaluation Report (CAPER)

The City of San Diego (City) invites any interested parties to participate in the preparation of the Fiscal Year 2017 Consolidated Annual Performance and Evaluation Report (CAPER).

The CAPER is prepared on an annual basis for submittal to the United States Department of Housing and Urban Development (HUD) and is required as part of the annual funding granted to the City as part of the following federal programs: Community Development Block Grant (CDBG); HOME Investment Partnerships Program (HOME); Emergency Solutions Grants (ESG); and Housing Opportunities for Persons with AIDS (HOPWA). The CAPER provides an assessment of the City's progress toward meeting its goals and high-priority needs for these federal programs. The CAPER reports on how funds were spent for the reporting period and on the beneficiaries of the community development, social services, and housing activities undertaken.

NOTICE IS HEREBY GIVEN that the FY 2017 CAPER will be available for public review at the Economic Development Department office (1200 Third Avenue, 14th floor, San Diego, CA 92101), the CDBG Program's website (www.sandiego.gov/cdbg), the San Diego Housing Commission's website (www.sdhc.org), and select City libraries (Central, Malcolm X, San Ysidro, Logan Heights and City Heights/Weingart) and community centers (Bayside Community Center, the Jacobs Center for Neighborhood Innovation) from September 6, 2017, through September 20, 2017.

Please direct any inquiries or comments regarding the FY 2017 CAPER by mail: Community Development Division, ATTN: FY 2017 CAPER, 1200 Third Avenue, Suite 1400, MS 56D, San Diego, CA 92101 or via e-mail at CDBG@sandiego.gov. The comment period will be closed on September 20, 2017 at 5:00 p.m.

The Draft CAPER will be presented to the Consolidated Plan Advisory Board at 9:00 a.m. in the City Concourse (202 'C' Street, San Diego, CA 92101 - North Terrace Rooms 207-208) on September 13, 2017. The agenda for this meeting will be posted on the CDBG Program's website at http://www.sandiego.gov/cdbg as soon as it is available. The (CAPER) will also be presented to the San Diego City Council at 2:00 p.m., or sometime thereafter in the City Administration Building (202 'C' Street, 12th Floor, San Diego, CA 92101) on September 19, 2017. The agenda for this meeting will be posted on the CDBG Program's website at www.sandiego.gov/cdbg and on the City Clerk's website at www.sandiego.gov/city-clerk once

available. Public comments on the CAPER will be welcomed at both meetings.

Following the 15-day public review period, beginning September 6, 2017 and ending September 20, 2017, the City of San Diego will submit the CAPER to the United States Department of Housing and Urban Development (HUD) by September 28, 2017.

To request this information in an alternative format, or to arrange for a sign language or oral interpreter for the meetings, please call the City Clerk's office at least five (5) working days prior to the meetings at (619) 533-4000 (voice) or (619) 236-7012 (TDD/TTY). 9/6/17

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DECLARATION

I am a resident of Los Angeles County, over the age of eighteen years and not a party to or interested in the matter noticed.

The notice, of which the annexed is a printed copy appeared in the:

VOICE & VIEWPOINT NEWS

On the following dates:

09/07/2017

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Dated at Los Angeles, California, this

8th day of September 2017

Signature

3048751

"The only Public Notice which is justifiable from the standpoint of true economy and the public interest, is that which reaches those who are affected by it"

NOTICE OF PUBLIC HEARING

NOTICE OF PUBLIC HEARINGS & PUBLIC REVIEW

CITY OF SAN DIEGO DRAFT FISCAL YEAR 2017

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AVISO DE AUDIENCIAS PUBLICAS Y DISPONIBILIDAD DEL REPORTE PRELIMINAR AL PUBLICO

CIUDAD DE SAN DIEGO

REPORTE PRELIMINAR DEL AÑO FISCAL 2017 REPORTE DE LA EVALUACIÓN ANUAL DEL PLAN CONSOLIDADO (CAPER)

SE NOTIFICA que la Ciudad de San Diego entregará el Reporte de la Evaluación Anual del Plan Consolidado (CAPER por sus siglas en inglés) del Año Fiscal 2017 al Departamento de Vivienda y Desarrollo Urbano (HUD) el 28 de septiembre de 2017.

El CAPER es el reporte que evalúa el progreso de la Ciudad de San Diego hacia el cumplimiento de sus objetivos y prioridades con respecto a los siguientes programas federales: Fondos para el Desarrollo de la Comunidad (CDBG); Fondos de Inversión para la Vivienda (HOME); Fondos de Emergencia para la Vivienda (ESG); y Fondos de Vivienda para Personas con VIH/SIDA (HOPWA). El CAPER detalla los proyectos que recibieron fondos y los logros alcanzados durante el periodo del 1° de julio de 2016 al 30 de junio de 2017 en el campo de desarrollo comunitario, servicios sociales y vivienda.

El CAPER preliminar del Año Fiscal 2017 estará disponible para solicitar comentarios del público durante un periodo de 15 días, **empezando el 6 de septiembre de 2017 y concluyendo el 20 de septiembre de 2017**. El CAPER estará a la disposición del público en la oficina del programa de CDBG (1200 Third Avenue, Floor 14, San Diego, CA 92101), en la página de internet del programa de CDBG (<http://www.sandiego.gov/cdbg>), en la página de internet de la Comisión de Vivienda de San Diego (<http://sdhc.org>), en ciertas bibliotecas públicas (Central Library, Malcolm X, San Ysidro, Logan Heights y City Heights/Weingart), en el Centro Comunitario Bayside y en el Centro para la Innovación Comunitaria Jacobs (Jacobs Center for Neighborhood Innovation).

Los comentarios por escrito podrán enviarse por correo durante este periodo a la oficina del programa de CDBG (1200 Third Avenue, Suite 1400, MS 56D, San Diego, CA 92101) o por correo electrónico a CDBG@sandiego.gov. **Sólo se aceptarán comentarios del público hasta las 5:00 p.m. del 20 de septiembre de 2017.**

Habrà dos audiencias públicas donde el público podrá presentar sus comentarios. La primera junta será con la Comisión Consejera del Plan Consolidado (CPAB) el **13 de septiembre de 2017** a las **9:00 a.m.** en el City Concourse (202 "C" Street, San Diego, CA 92101 - North Terrace Rooms 207-208). La orden del día estará disponible el 8 de septiembre de 2017 en la página de internet del programa de CDBG (<http://www.sandiego.gov/cdbg>).

La segunda junta donde se presentará el CAPER será con el Consejo Municipal de San Diego el día **19 de septiembre de 2017** a las 2:00 p.m. o un poco después en el City Administration Building (202 "C" Street, Piso 12, San Diego, CA 92101). La orden del día estará publicada en la página de internet del programa de CDBG (www.sandiego.gov/cdbg) y en la de la Secretaría de la Ciudad (www.sandiego.gov/city-clerk) cuando esté disponible.

Para solicitar esta información en otro formato, o para solicitar un intérprete oral o de señas para las juntas, llame por favor a la oficina del Secretario de la Ciudad (City Clerk's Office) con cinco días laborales de anticipación al (619) 533-4000 (voz) o (619) 236-7012 (TDD/TTY). 9/8/17

CNS-3048753#



September 19, 2017

City of San Diego
Economic Development Department
CDBG@sandiego.gov CityClerk@sandiego.gov
202 C Street, San Diego, California 92101

Subject: Item 332 FY-2017 HUD CAPER for September 19, 2017 <http://tinyurl.com/20170919a>
Public Comments Consolidated Annual Performance and Evaluation Report (CAPER)

Dear City of San Diego:

Please do not approved Item 332 on September 19, 2017 due to inconsistencies, missing information, and inaccuracies between approved and actual distributions reported between the City, SDHC, and Civic San Diego for CDBG Program Income.

In addition, the official HUD Form PR26 – CDBG Financial Summary Reports do not reconcile with the Successor Agency (SA) Recognized Obligation Payment Schedules (ROPS) numbers for Line Item 626, 627, and 628, or the HUD Annual Action Plans (AAP). For FY-2017, HUD Form PR26 recorded no CDBG Program Income, for the year. When ROPS documented

With \$16,529,672 spent, and \$22,760,332 in Carried Forward Balance for prior year allocations.

Please provide a table showing the allocations to projects that have outstanding balances totaling \$22.8 million.

Table 1 - HUD OIG Audit Debt Repayment to CDBG Program Income from the Successor Agency (SA) controlled by Civic San Diego, to the City's Economic Development Department (EDD).

	SA ROPS Debt	Line Item 626	Line Item 627	Line Item 628
2010 Original Debt	\$228,432,499	\$78,787,000	\$5,431,000	\$144,214,499
2017 Outstanding Debt	\$200,130,211	\$53,127,300	\$4,009,389	\$142,993,522
Repayments Made	\$ 28,302,288	\$25,659,700	\$1,421,611	\$1,220,977
FY-2018 ROPS-11 Repayments	\$19,658,835	\$9,156,100	\$502,735	\$10,000,000
FY-2018 Annual Action Plan	\$18,118,710			

For example for FY-2018, the Successor Agency ROPS-11 states that \$19,658,835 in OIG Audit Debt will be repaid to CDBG Program Income. However, the FY-2018 Annual Action Plan (AAP) states that \$18,118,710 will be repaid to CDBG Program Income. What number is accurate?

My ongoing concerns relate to the lack of Repayment Agreements for the full \$228,432,499 in HUD OIG Audit Debt Repayments to CDBG Program Income from the Successor Agency (SA), the outstanding Interest Payable since June 30, 2009 that has yet to be calculated, the unused \$63,669,220 in pre-2010 Housing Bonds of the Successor Agency (SA), and hoarding of \$41,160,000 in Cash of the Low Moderate Income Housing Asset Fund (LMIHAF) that could be used immediately to end Homelessness in San Diego.

In total, and annually, how much has been paid back to the City's as CDBG Program Income from the Successor Agency? A total of \$28,302,288, or another amount?

Also troubling is the San Diego Housing Commission (SDHC) hoarding of \$268,461,293 in Unrestricted Net Position Cash Reserve Fund Balances, including \$32,407,906 in unused Federal HUD Section 8 Moving To Work (MTW) cash, as shown in their FY-2016 SDHC Comprehensive Annual Financial Reports (CAFR). Prior the SDHC stated that HUD required them to hoard the \$32.4 million in Section 8 MTW funds.

For the FY-2018 Budget the SDHC is planning on using \$24 million for rehab of SDHC-owned properties, with \$8.4 million still available for the Homeless. What are the plans for spending the outstanding \$8.4 million in HUD Section 8 MTW? Can these un-programmed funds be used for Homeless solutions?

Did HUD require the SDHC to Hoard \$32 million in HUD Section 8 MTW?
What has changed according to the SDHC that these Federal funds can now be spent?

Since FY-2011, the City of San Diego and Civic San Diego have failed to create Comprehensive Annual Financial Reports (CAFR) for the Successor Agency (SA) and the SB-341 Audits for Low Moderate Income Housing Asset Fund (LMIHAF). Both controlled by the private Civic San Diego. Therefore, there are no actual financial records to confirm that the Successor Agency (SA) has paid back a total of \$28,302,288 to CDBG Program Income since 2010.

Please discuss the 16 Hepatitis A Deaths in San Diego County due to lack of public restrooms, the 3 planned Emergency Shelter Tents, and why the unused public properties are not available immediately for the Homeless. Specifically the use of the old downtown Library, Chargers Park, San Diego County Credit Union (SDCCU) formally Qualcomm Stadium, and the old State Courthouses on Broadway.

Please discuss the elimination of 10,000 Affordable Housing Units and Single Room Occupancy (SRO) units in the last 6 Years. According the City of San Diego Housing Element, the San Diego Housing Commission (SDHC), Civic San Diego, and the City's Development Services Department (DSD) are responsible for preservation of existing Affordable Housing units through analysis of Demolition Permits. However, everyone says it is not their job to analyze Demolition Permits. Who exactly is in charge or preservation of At-Risk Affordable housing units?

Attached please find our public comments from previous CAPER. The majority of our questions were ignored, and have never been analyzed by staff. Instead the reply is that either Civic San Diego or the San Diego Housing Commission (SDHC) are responsible for answers, and the City does not need to reconcile the numbers, or coordinate with outside agencies like Civic San Diego and the SDHC.

Regards,

Katheryn Rhodes
371 San Fernando Street
San Diego, California 92106
619-402-8688 cell
rhodes@laplayaheritage.com

2010 Original Debt = \$228,432,499 = \$78,787,000 + \$5,431,000 + \$144,214,499

2017 Outstanding Debt = \$200,130,211 = \$53,127,300 + \$4,009,389 + \$142,993,522

Supposedly Paid Off = \$ 28,302,288 = \$228,432,499 - \$200,130,211.

FY-2018 HUD OIG Audit Debt Repayment to CDBG Program Income \$19,658,835 = \$9,156,100 + \$502,735 + \$10,000,000.

San Diego City Recognized Obligation Payment Schedule (ROPS 17-18) - ROPS Detail

July 1, 2017 through June 30, 2018

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	17-18A (July - December)					Q	17-18B (January - June)					W	
											Fund Sources						Fund Sources						
											L	M	N	O	P		R	S	T	U	V		
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 17-18 Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	17-18A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	17-18B Total	
625	Affordable Multi-Family Housing Renovations	Bond Funded Project - Housing	12/20/2015	12/31/2020	San Diego Housing Commission	Renovations of publicly owned and operated affordable housing multi-family projects benefiting the North Park Area	Multiple PA	-	Y	\$ -	-	-	-	-	-	\$ -	-	-	-	-	-	-	\$ -
626	CDBG Repayment Agreement related to 2008 OIG Audit	Third-Party Loans	12/20/2015	12/31/2020	Federal Government (HUD)	Loan Agreement Document D-4525 dated 6/30/10. Agency Resolution R-4525. City Resolution R-305920. See HSC Section 34171(d)(2).	Multiple PA	53,127,300	N	\$ 9,156,100	-	-	-	9,156,100	-	\$ 9,156,100	-	-	-	-	-	-	\$ -
627	Naval Training Center Section 108 Loan	Third-Party Loans	12/20/2015	12/31/2025	Federal Government (HUD), via City of San Diego	Loan Agreement Document D-4636. Agency Resolution R-4636. City Resolution RR-306636. See HSC Section 34171(d)(2).	Horton Plaza	4,009,389	N	\$ 502,735	-	-	-	418,409	-	\$ 418,409	-	-	-	-	84,326	-	\$ 84,326
628	Loan Agreement pertaining to the CDBG & Section 108 Long-Term Miscellaneous Debt	Third-Party Loans	12/20/2015	12/31/2025	Federal Government (HUD) via the City of San Diego	Loan repayments pursuant to HSC section 34171.(d)(2).	Multiple PA	142,993,522	N	\$ 10,000,000	-	-	-	10,000,000	-	\$ 10,000,000	-	-	-	-	-	-	\$ -
629	Valencia Business Park ENA contract providing development for low income local jobs required by Potter Tract HUD 108 Loan	City/County Loan (Prior 06/28/11), Other	12/20/2015	12/31/2025	SEDC	Develop this TOD site located on Orange Trolley & public transit lines, w/ 1/2 mile of trolley station, to fulfill contractual commitment in compliance w/ job creation HUD Loan reqm'ts through ENA D-04565/R-04	Multiple PA	625,000	N	\$ 75,000	-	-	-	75,000	-	\$ 75,000	-	-	-	-	-	-	\$ -
630	Reinstated Loan Agreement pertaining to Naval Training Center Site Purchase Loan	City/County Loan (Prior 06/28/11), Property transaction	12/20/2015	12/31/2025	City of San Diego	Repayment of Naval Training Center Site Purchase Price	North Bay	10,696,624	N	\$ 10,696,624	-	-	10,696,624	-	-	\$ 10,696,624	-	-	-	-	-	-	\$ -
631	Affordable Housing Public Improvements	Bond Funded Project - Housing	12/31/2010	6/30/2017	AMCAL	Affordable Housing Public Improvements	North Park	994,291	N	\$ 994,291	994,291	-	-	-	-	\$ 994,291	-	-	-	-	-	-	\$ -
632	Affordable Housing Public Improvements	Bond Funded Project - Housing	12/31/2010	6/30/2017	National Core & Community Housing Works	Affordable Housing Public Improvements	All	212,813	N	\$ 212,813	212,813	-	-	-	-	\$ 212,813	-	-	-	-	-	-	\$ -
633	Successor Agency to the Redevelopment Agency of the City of San Diego, Tax Allocation Refunding Bonds, Series 2016B (T)	Bonds Issued On or Before 12/31/10	1/1/2016	9/30/2033	US Bank	Bonds issued prior to 12/31/2010 for housing and non-housing projects that were refunded in FY 2016.	Multiple PA	196,514,933	N	\$ 18,266,700	-	-	-	3,253,350	-	\$ 3,253,350	-	-	-	15,013,350	-	-	\$ 15,013,350
634	Successor Agency to the Redevelopment Agency of the City of San Diego, Tax Allocation Refunding Bonds, Series 2017A (TE)	Bonds Issued On or Before 12/31/10	1/1/2017	9/30/2033	US Bank	Bonds issued prior to 12/31/2010 for housing and non-housing projects that were refunded in FY 2017.	Multiple PA	37,160,141	N	\$ 3,552,318	-	-	-	446,159	-	\$ 446,159	-	-	-	3,106,159	-	-	\$ 3,106,159
635	Successor Agency to the Redevelopment Agency of the City of San Diego, Tax Allocation Refunding Bonds, Series 2017B (T)	Bonds Issued On or Before 12/31/10	1/1/2017		US Bank	Bonds issued prior to 12/31/2010 for housing and non-housing projects that were refunded in FY 2017.	Multiple PA	-	N	\$ -	-	-	-	-	-	\$ -	-	-	-	-	-	-	\$ -
636	Lyceum Theatre - Project Management Costs	Project Management Costs	7/1/2012	6/30/2021	Successor Agency	Project Management Costs related to a Successor Agency Project funded with funds held by the Successor Agency	Multiple PA	-	N	\$ -	-	-	-	-	-	\$ -	-	-	-	-	-	-	\$ -
637	NTC DDA - Project Management Costs	Project Management Costs	7/1/2012	6/30/2021	Successor Agency	Project Management Costs related to a Successor Agency Project funded with funds held by the Successor Agency	Multiple PA	150,000	N	\$ 117,790	-	-	-	117,790	-	\$ 117,790	-	-	-	-	-	-	\$ -
638	Park Blvd At-Grade Crossing - Project Management Costs	Project Management Costs	7/1/2012	6/30/2021	Successor Agency	Project Management Costs related to a Successor Agency Project funded with funds held by the Successor Agency	Multiple PA	250,000	N	\$ 227,325	-	-	-	227,325	-	\$ 227,325	-	-	-	-	-	-	\$ -
639	Horton Plaza Park - Project Management Costs	Project Management Costs	7/1/2012	6/30/2021	Successor Agency	Project Management Costs related to a Successor Agency Project funded with funds held by the Successor Agency	Multiple PA	200,000	N	\$ 158,935	-	-	-	158,935	-	\$ 158,935	-	-	-	-	-	-	\$ -
640	North Embarcadero Vision Plan (NEVP) - Project Management Costs	Project Management Costs	7/1/2012	6/30/2021	Successor Agency	Project Management Costs related to a Successor Agency Project funded with funds held by the Successor Agency	Multiple PA	25,000	N	\$ 24,206	-	-	-	24,206	-	\$ 24,206	-	-	-	-	-	-	\$ -
641	Loan Agreement for Payment of Certain Fiscal Year 2017 Project Management Costs	Project Management Costs	7/1/2016	6/30/2020	City of San Diego	Loan Agreement between the City of San Diego and the Successor Agency to reimburse the City of San Diego for Project Management Costs of Successor Agency funded projects for fiscal year 2017	Multiple PA	25,000	N	\$ 12,910	-	-	-	12,910	-	\$ 12,910	-	-	-	-	-	-	\$ -
642	Affordable Housing Public Improvements	Bonds Issued On or Before 12/31/10	6/27/2007	9/1/2040	Affordable Housing Developer	Affordable Housing Public Improvements using Housing Bonds still held by the Successor Agency and in compliance with Bond Covenants	Multiple PA	507,000	N	\$ 507,000	-	-	-	507,000	-	\$ 507,000	-	-	-	-	-	-	\$ -
643	Affordable Housing Improvements	Bonds Issued On or Before 12/31/10	6/27/2007	9/1/2040	Affordable Housing Developer	Affordable Housing Improvements using Housing Bonds still held by the Successor Agency and in compliance with Bond Covenants	Multiple PA	49,938	N	\$ 49,938	49,938	-	-	-	-	\$ 49,938	-	-	-	-	-	-	\$ -
644	Affordable Housing Improvements	Bonds Issued On or Before 12/31/10	6/27/2007	9/1/2040	Affordable Housing Developer	Affordable Housing Improvements using Housing Bonds still held by the Successor Agency and in compliance with Bond Covenants	Multiple PA	4,651,714	N	\$ 4,651,714	4,638,375	-	13,339	-	-	\$ 4,651,714	-	-	-	-	-	-	\$ -
645	10,000 Affordable Housing units destroyed by Demolition/Construction Permits by DSD Civic San Diego SDHC								N	\$ -						\$ -							\$ -
646									N	\$ -						\$ -							\$ -
647	RCCC 7% Accrued Interest on \$215 million HUD OIG Audit Debt Replacement to CDBG Program Income								N	\$ -						\$ -							\$ -
648									N	\$ -						\$ -							\$ -


Housing Bonds under DOF.

**San Diego City Recognized Obligation Payment Schedule (ROPS 17-18) - Report of Cash Balances
(Report Amounts in Whole Dollars)**

Pursuant to Health and Safety Code section 34177 (I), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [Cash Balance Tips Sheet](#).

A	B	C	D	E	F	G	H	I	
		Fund Sources							
		Bond Proceeds		Reserve Balance		Other	RPTTF		
	Cash Balance Information by ROPS Period	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments	
ROPS 15-16B Actuals (01/01/16 - 06/30/16)									
1	Beginning Available Cash Balance (Actual 01/01/16)	70,515,592		3,369,053		24,378,604	16,749,146	ROPS 11-July Distribution of \$45,005,234. All Amou	
2	Revenue/Income (Actual 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during June 2016	2,750,427		38		5,047,431	58,091,614	All amounts include cash impacted changes in Acc	
3	Expenditures for ROPS 15-16B Enforceable Obligations (Actual 06/30/16)	4,642,351		3,160,884		4,833,078	67,215,954	Bond Proceeds amounts held in retention are proc	
4	Retention of Available Cash Balance (Actual 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	63,669,220	Housing Bonds under DOF. Carry Over Funds in Bond Proceeds.	15,246		13,609,639			
5	ROPS 15-16B RPTTF Balances Remaining	No entry required							
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 4,954,448	\$ -	\$ 192,961	\$ -	\$10,983,318	\$ 7,624,806		

Going Back to County Auditor for Distribution.

	<p>Office of Community Planning and Development U.S. Department of Housing and Urban Development Integrated Disbursement and Information System PR26 - CDBG Financial Summary Report Program Year 2016 SAN DIEGO, CA</p>	<p>DATE: 09-05-17 TIME: 13:37 PAGE: 1</p>
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No Discussion on full \$215 million. Previous RP-26 reports do not match with SA ROPS Line Items to repay the poor into

PART I: SUMMARY OF CDBG RESOURCES CDBG Program Income. What is the maximum of extra Program Income available?

01 UNEXPENDED CDBG FUNDS AT END OF PREVIOUS PROGRAM YEAR	\$11,118,963.18
02 ENTITLEMENT GRANT	\$10,897,246.00
03 SURPLUS URBAN RENEWAL	\$0.00
04 SECTION 108 GUARANTEED LOAN FUNDS	\$0.00
05 CURRENT YEAR PROGRAM INCOME	\$0.00
Zero Program Income for FY-2017 CAPER	
05a CURRENT YEAR SECTION 108 PROGRAM INCOME (FOR SI TYPE)	\$0.00
06 FUNDS RETURNED TO THE LINE-OF-CREDIT	\$0.00
06a FUNDS RETURNED TO THE LOCAL CDBG ACCOUNT	\$0.00
07 ADJUSTMENT TO COMPUTE TOTAL AVAILABLE	\$17,273,795.13
What does this mean? What Adjustment?	
08 TOTAL AVAILABLE (SUM, LINES 01-07)	\$39,290,004.31

PART II: SUMMARY OF CDBG EXPENDITURES

09 DISBURSEMENTS OTHER THAN SECTION 108 REPAYMENTS AND PLANNING/ADMINISTRATION	Low/Mod Benefits	\$14,264,484.70
10 ADJUSTMENT TO COMPUTE TOTAL AMOUNT SUBJECT TO LOW/MOD BENEFIT		\$0.00
11 AMOUNT SUBJECT TO LOW/MOD BENEFIT (LINE 09 + LINE 10)		\$14,264,484.70
12 DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION	\$2.3 for CDBG Planning Administration 13.7%	\$2,265,187.70
13 DISBURSED IN IDIS FOR SECTION 108 REPAYMENTS		\$0.00
14 ADJUSTMENT TO COMPUTE TOTAL EXPENDITURES		\$0.00
15 TOTAL EXPENDITURES (SUM, LINES 11-14)		\$16,529,672.40
16 UNEXPENDED BALANCE (LINE 08 - LINE 15)	Saved more Cash \$22.7million Then Spent \$16.5 million	\$22,760,331.91

PART III: LOWMOD BENEFIT THIS REPORTING PERIOD

17 EXPENDED FOR LOW/MOD HOUSING IN SPECIAL AREAS	\$0.00
18 EXPENDED FOR LOW/MOD MULTI-UNIT HOUSING	\$0.00
19 DISBURSED FOR OTHER LOW/MOD ACTIVITIES	\$14,198,519.15
20 ADJUSTMENT TO COMPUTE TOTAL LOW/MOD CREDIT	\$0.00
21 TOTAL LOW/MOD CREDIT (SUM, LINES 17-20)	\$14,198,519.15
22 PERCENT LOW/MOD CREDIT (LINE 21/LINE 11)	99.54%

LOW/MOD BENEFIT FOR MULTI-YEAR CERTIFICATIONS

23 PROGRAM YEARS(PY) COVERED IN CERTIFICATION	PY: PY: PY:
24 CUMULATIVE NET EXPENDITURES SUBJECT TO LOW/MOD BENEFIT CALCULATION	0.00
25 CUMULATIVE EXPENDITURES BENEFITING LOW/MOD PERSONS	0.00
26 PERCENT BENEFIT TO LOW/MOD PERSONS (LINE 25/LINE 24)	0.00%

PART IV: PUBLIC SERVICE (PS) CAP CALCULATIONS

27 DISBURSED IN IDIS FOR PUBLIC SERVICES	Public Services \$1,993,699. See Pages 68-69.	\$1,993,699.14
28 PS UNLIQUIDATED OBLIGATIONS AT END OF CURRENT PROGRAM YEAR		\$0.00
29 PS UNLIQUIDATED OBLIGATIONS AT END OF PREVIOUS PROGRAM YEAR		\$0.00
30 ADJUSTMENT TO COMPUTE TOTAL PS OBLIGATIONS		\$0.00
31 TOTAL PS OBLIGATIONS (LINE 27 + LINE 28 - LINE 29 + LINE 30)		\$1,993,699.14
32 ENTITLEMENT GRANT		\$10,897,246.00
33 PRIOR YEAR PROGRAM INCOME		\$11,874,710.19
34 ADJUSTMENT TO COMPUTE TOTAL SUBJECT TO PS CAP		\$0.00
35 TOTAL SUBJECT TO PS CAP (SUM, LINES 32-34)		\$22,771,956.19
36 PERCENT FUNDS OBLIGATED FOR PS ACTIVITIES (LINE 31/LINE 35)		8.76%

PART V: PLANNING AND ADMINISTRATION (PA) CAP

37 DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION	\$2.3 for CDBG Planning Administration 13.7%	\$2,265,187.70
38 PA UNLIQUIDATED OBLIGATIONS AT END OF CURRENT PROGRAM YEAR		\$0.00

September 14, 2016

City of San Diego Economic Development and San Diego Housing Commission (SDHC)
CDBG@sandiego.gov CityClerk@sandiego.gov rickg@sdhc.org, melissap@sdhc.org
smaduliwilli@sandiego.gov MMarano@sandiego.gov, UPanganiban@SanDiego.gov,
ecaldwell@sandiego.gov todd.henderson@sdcountry.ca.gov CityAuditor@SanDiego.gov

Subject: Public Comments: Federal HUD Fiscal Year FY-2016, Plan Year PY-2015 CAPER Consolidated Annual Performance and Evaluation Report (CAPER).
September 14, 2016 Consolidated Plan Advisory Board (CPAB) Meeting, Item 6A Draft FY-2016 CAPER
September 20, 2016 City Council Meeting Item 330 FY-2016 Consolidated Annual Performance and Evaluation Report. <https://www.sandiego.gov/cdbg/general/plansreports>

Dear City of San Diego and San Diego Housing Commission (SDHC):

Please do not approve Item 330 on September 20, 2016 the HUD FY-2016 Draft CAPER due to Inconsistency and inaccuracies in the documented numbers for differing amounts dispersed and distributed in Federal HUD Entitlement Programs including” Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grants (ESG), and Housing Opportunities for Persons with HIV/AIDS (HOPWA). For example, the CDBG distributions for FY-2016 is either \$12,660,795, \$11,236,852, \$10,408,975, or \$8,481,337. I recommend that the City of San Diego’s Economic Development Department and the San Diego Housing Commission (SDHC) Agency create new Reconciliation Procedures so the numbers match.

Instead of approving the CAPER, please return the incomplete report back to staff of Economic Development and the San Diego Housing Commission (SDHC). Please have staff verify the actual financial data in the reports, reconcile the differing numbers, reconcile the paperwork independently, and clarify the reasons for any lack of consistency between Appendix A my calculations, versus Appendix B the numbers Summarized in the Integrated Disbursement and Information System (IDIS) Reports from Attachment 2, Appendix C Paragraphs CR-15 Resources and Investments Amount Expended in Table 3 – Resources Made Available, and FY-2015- to FY-2019 Consolidated Plan Goals CAPER Pages 6-10.

Table 1 - Federal HUD Fiscal Year FY-2016, Plan Year PY-2015 CAPER Distribution.

Federal HUD Source of Funds	IDIS CDBG Calculations Attachment 2	IDIS CDBG PR26 Financial Summary Report	CR-15 Page 14 Table 3 Amount Expended	FY-2015- to FY-2019 Consolidated Plan Goals Pages 6-10.
CDBG	\$12,660,795	\$11,236,852	\$10,408,975	\$8,481,337
HOME	-	-	\$10,184,946	\$3,496,391
HOPWA	-	-	\$2,492,449	\$1,328,662
ESG	-	-	\$958,378	\$705,425
TOTAL CAPER	-	-	\$24,044,748	\$14,011,815

Appendix A - IDIS CDBG My Calculations from CAPER Attachment 2.

Appendix B - IDIS CDBG PR26 Financial Summary Report Attachment 2

Appendix C - CR-15: Resources and Investments 91.520(a) CAPER Page 14.

Appendix D - Table 1 FY-2015- to FY-2019 Consolidated Plan Goals CAPER Pages 6-10.

Another example of differing and/or missing figures for HUD CDBG Distributions can be seen in the IDIS PR26 Financial Summary Report in Attachment 2, based upon documentation, versus my independent calculations. It looks like the City did not include the + \$453,128 dispersal for Line 18 Expended for Rehabilitation of existing Low/Moderate Multi-Unit Housing. Please change Form PR26 to document the correct number after Reconciliation between information from HUD Exchange, versus Comptroller reports, Economic Development, and the SDHC.

Table 2 – Varying CDBG Distributions from IDIS Report Attachment 2.

	My Calculations	Form PR26
Line 18 Low/Mod Housing	\$453,128	Zero 0 Missing
Line 19 Dispersed Other Low/Mod Activities	\$8,761,480	\$8,761,480
Line 27 Dispersed for Public Services	\$1,423,943	\$1,423,943
Line 37 Disbursed Planning/Administration	\$2,022,224	\$2,022,224
TOTAL CDBG	\$12,660,795	\$11,236,852

The situation of meaningless numbers in the official HUD CAPER reports throughout the years is similar to the situation identified by the September 13, 2016 City Auditor Report 17-005 Performance Audit of the San Diego Housing Commission (SDHC) and the San Diego Union Tribune Watchdog Investigation entitled “San Diego housing officials fail to collect millions in payments owed, auditor says.” By **Jeff McDonald** dated September 14, 2016.

<http://www.sandiegouniontribune.com/news/watchdog/sd-me-watchdog-housing-20160914-story.html>
https://www.sandiego.gov/sites/default/files/17-005_performance_audit_sdhc.pdf

In conclusion, please reconcile all HUD CAPER numbers so that the figures entered into the HUD Exchange are true representation of actual events and distributions, confirmed by the City Comptroller, Economic Development Department (EDD) and the SDHC. Until all numbers match, the City Council should not approve the CAPER. This is not an isolated incident, but has been confusing for many years. The lack of consistency does not allow for Evaluation of the HUD Entitlement Programs in San Diego.

Regards,

Katheryn Rhodes
 371 San Fernando Street, San Diego, California 92106
 619-523-4350 rhodes@laplayaheritage.com



Appendix B.

Office of Community Planning and Development
 U.S. Department of Housing and Urban Development
 Integrated Disbursement and Information System
 PR26 - CDBG Financial Summary Report
 Program Year 2015
 SAN DIEGO, CA

IDIS CDBG PR26 08-31-16 Financial Summary Report Attachment 2

DATE: 08-31-16
 TIME: 9:50
 PAGE: 108

IDIS. CDBG \$23,105,140 Total Available to Spend = \$11,118,963 Prior Year Unexpended + \$11,026,482 FY-2016 Entitlement Grant + \$959,695 Program Income (How much from HUD OIG Audit Debt Repayment for Program Income?)

PART I: SUMMARY OF CDBG RESOURCES

01 UNEXPENDED CDBG FUNDS AT END OF PREVIOUS PROGRAM YEAR		11,118,963.18
02 ENTITLEMENT GRANT	CDBG Total \$12,660,795	11,026,482.00
03 SURPLUS URBAN RENEWAL		0.00
04 SECTION 108 GUARANTEED LOAN FUNDS		0.00
05 CURRENT YEAR PROGRAM INCOME		959,694.59
05a CURRENT YEAR SECTION 108 PROGRAM INCOME (FOR SI TYPE)		0.00
06 FUNDS RETURNED TO THE LINE-OF-CREDIT		0.00
06a FUNDS RETURNED TO THE LOCAL CDBG ACCOUNT		0.00
07 ADJUSTMENT TO COMPUTE TOTAL AVAILABLE		0.00
08 TOTAL AVAILABLE (SUM, LINES 01-07)		23,105,139.77

Page 14 CDBG totals do not match IDIS report. Why?
 CDBG Resources Made Available. \$15,436,015
 Amount Expended \$10,408,975.

PART II: SUMMARY OF CDBG EXPENDITURES

09 DISBURSEMENTS OTHER THAN SECTION 108 REPAYMENTS AND PLANNING/ADMINISTRATION		9,214,607.99
10 ADJUSTMENT TO COMPUTE TOTAL AMOUNT SUBJECT TO LOW/MOD BENEFIT		0.00
11 AMOUNT SUBJECT TO LOW/MOD BENEFIT (LINE 09 + LINE 10)		9,214,607.99
12 DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION		2,022,244.13
13 DISBURSED IN IDIS FOR SECTION 108 REPAYMENTS		0.00
14 ADJUSTMENT TO COMPUTE TOTAL EXPENDITURES		0.00
15 TOTAL EXPENDITURES (SUM, LINES 11-14)	CDBG \$23,105,140 Total Available to Spend - \$11,236,852 Expenditures	11,236,852.12
16 UNEXPENDED BALANCE (LINE 08 - LINE 15)	= \$11,868,288 Carry Forward Unexpended Balance for FY-2017.	11,868,287.65

PART III: LOW/MOD BENEFIT THIS REPORTING PERIOD

17 EXPENDED FOR LOW/MOD HOUSING IN SPECIAL AREAS		0.00
18 EXPENDED FOR LOW/MOD MULTI-UNIT HOUSING		0.00
19 DISBURSED FOR OTHER LOW/MOD ACTIVITIES	Line 19. Disbursed for Other Low/Mod Activities -\$8,761,480.	8,761,479.65
20 ADJUSTMENT TO COMPUTE TOTAL LOW/MOD CREDIT		0.00
21 TOTAL LOW/MOD CREDIT (SUM, LINES 17-20)		8,761,479.65
22 PERCENT LOW/MOD CREDIT (LINE 21/LINE 11)		95.08%

LOW/MOD BENEFIT FOR MULTI-YEAR CERTIFICATIONS

23 PROGRAM YEARS(PY) COVERED IN CERTIFICATION		PY: PY: PY:
24 CUMULATIVE NET EXPENDITURES SUBJECT TO LOW/MOD BENEFIT CALCULATION		0.00
25 CUMULATIVE EXPENDITURES BENEFITING LOW/MOD PERSONS		0.00
26 PERCENT BENEFIT TO LOW/MOD PERSONS (LINE 25/LINE 24)		0.00%

PART IV: PUBLIC SERVICE (PS) CAP CALCULATIONS

27 DISBURSED IN IDIS FOR PUBLIC SERVICES	Line 27. Disbursed for Public Services -\$1,423,943.	1,423,943.16
28 PS UNLIQUIDATED OBLIGATIONS AT END OF CURRENT PROGRAM YEAR		0.00
29 PS UNLIQUIDATED OBLIGATIONS AT END OF PREVIOUS PROGRAM YEAR		11,702.07
30 ADJUSTMENT TO COMPUTE TOTAL PS OBLIGATIONS		0.00
31 TOTAL PS OBLIGATIONS (LINE 27 + LINE 28 - LINE 29 + LINE 30)		1,412,241.09
32 ENTITLEMENT GRANT		11,026,482.00
33 PRIOR YEAR PROGRAM INCOME		79,037.72
34 ADJUSTMENT TO COMPUTE TOTAL SUBJECT TO PS CAP		0.00
35 TOTAL SUBJECT TO PS CAP (SUM, LINES 32-34)		11,105,519.72
36 PERCENT FUNDS OBLIGATED FOR PS ACTIVITIES (LINE 31/LINE 35)		12.72%

PART V: PLANNING AND ADMINISTRATION (PA) CAP

37 DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION	Line 37. Disbursed for Planning/Admin -\$2,022,244.	2,022,244.13
38 PA UNLIQUIDATED OBLIGATIONS AT END OF CURRENT PROGRAM YEAR		0.00
39 PA UNLIQUIDATED OBLIGATIONS AT END OF PREVIOUS PROGRAM YEAR		0.00
40 ADJUSTMENT TO COMPUTE TOTAL PA OBLIGATIONS		0.00
41 TOTAL PA OBLIGATIONS (LINE 37 + LINE 38 - LINE 39 +LINE 40)		2,022,244.13
42 ENTITLEMENT GRANT		11,026,482.00
43 CURRENT YEAR PROGRAM INCOME		959,694.59
44 ADJUSTMENT TO COMPUTE TOTAL SUBJECT TO PA CAP		0.00
45 TOTAL SUBJECT TO PA CAP (SUM, LINES 42-44)		11,986,176.59
46 PERCENT FUNDS OBLIGATED FOR PA ACTIVITIES (LINE 41/LINE 45)		16.87%

LINE 17 DETAIL: ACTIVITIES TO CONSIDER IN DETERMINING THE AMOUNT TO ENTER ON LINE 17

Report returned no data.

June 30, 2016

HUD OIG Auditor
VMussetter@hudoig.gov

HUD Los Angeles
William.G.Vasquez@hud.gov

Regional Continuum of Care Council
<http://www.sandiegococ.org>

Subject: Proposed Amendment to 2010 HUD OIG Repayment Agreement & Schedule; Minimizing Areas Pre-Zoned for Emergency Shelter Ministerially-by-Right without CUP; and Violations of 24 CFR Part 91.105(c)(3). Lack of Written Responses to Public Comments for FY-2010, FY-2014, and FY-2015 City of San Diego HUD-Mandated Comprehensive Annual Performance and Evaluation Reports (CAPERS).

Reference: 24 CFR Part 91.105(c)(3). *“The citizen participation plan shall require the jurisdiction to consider any comments or views of citizens received in writing, or orally at public hearings, if any, in preparing the substantial amendment of the consolidated plan. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons therefor, shall be attached to the substantial amendment of the consolidated plan.”*

Dear HUD OIG Auditor, HUD Los Angeles, and San Diego Regional Continuum of Care (RCoC):

Attached as Appendix A (67 Pages) please find our unanswered Public Comments for the City of San Diego’s FY-2010, FY-2014, and FY-2015 Comprehensive Annual Performance and Evaluation Reports (CAPERS). For the last 6 years, the City of San Diego has ignored our complaints regarding ongoing violations of the Federal Civil Rights, Fair Housing, and HEARTH Acts of the Homeless and Poor by Hoarding unencumbered cash in the City of San Diego Successor Agency (SA) to the former Redevelopment Agency (RDA), and the Low Moderate Income Housing Asset Fund (LMIHAF) controlled by the private Civic San Diego.

Summarily, our Public Comments and Views in the CAPERS have not been accepted by City of San Diego staff. The main staff response is that Civic San Diego staff, not City of San Diego staff, are in charge of the SA/LMIHAF, and all outstanding CAPER questions should be answered by Civic San Diego/SDHC, not City of San Diego staff. Since Civic San Diego/SDHC staffs have no responsibility to answer HUD CAPER questions, the issues never get addressed, the Federal violations remain, and potential proposed solutions never get analyzed.

The attached Figure 1 map is from the March 17, 2016 Planning Commission Item 8 – Housing Related Amendments, Areas Zoned for Emergency Shelter Ministerially by Right, without the need for Conditional User Permits (CUP). The City of San Diego has outlawed the existing Figures 1 and 2 from the November 2006 Housing Element of the General Plan, and has declared there are no pre-approved zones for Emergency Shelter/Transitional Housing. City staff is proposing to reduce the pre-approved Zoned by - 98% to small areas in the Midway and Pacific Beach neighborhoods adjacent Interstate 5.

On June 21, 2010 as Item 203 Federal HUD OIG Audit Debt Repayment Agreement Schedule, the City and the Successor Agency (SA) to the former Redevelopment Agency (RDA) acknowledged a total of \$228,432,499 in Federal HUD debt, with Accrued Interest as of July 1, 2009.

Table 1 - Item 203 Acknowledged HUD OIG Audit Debt by Principle and Interest on June 21, 2010.

Successor Agency (SA) DEBT and LOAN	PRINCIPLE	INTEREST	TOTAL
HUD OIG Audit Debt CDBG	\$69,249,993	\$99,559,741	\$168,809,734
HUD OIG Audit Debt Section 108 Loans	\$29,181,647	\$30,441,118	\$59,622,765
Total HUD OIG Debt	\$98,431,647	\$130,000,859	\$228,432,499

Total \$228,432,499 Repayment Agreement = \$78,787,000 Scheduled + \$144,214,499 + \$5,431,000 NTC. HUD OIG Audit Debt Only \$78,787,000 Repayments Scheduled to CDBG Program Income over 10 years. No Repayment Schedule for remaining \$144,214,499 + \$5,431,000 (NTC Section 108 Loan).

The City Council directed the City of San Diego, and Civic San Diego (CCDC) staffs to maximize the amount of Successor Agency (SA) debt for HUD Programs by the continued compounding of Interest, and stopping any staff self-inspired unwanted negotiations with HUD Los Angeles staff for plans to erase any Redevelopment Successor Agency (SA) Debts of which Repayments could be directed to the poor and homeless in the name of justice, with zero effects to the General Funds of the local taxing agencies.

Senate Bill SB-107 effective September 22, 2015 amended Health and Safety Code Section 34171(d)(2) to include the full \$228.4 million in HUD OIG Audit Debt Repayments as Enforceable Obligations (EO) in the Recognized Obligation Payment Schedule ROPS-9 (ROP-15-16B) for January to June 2016, and the subsequent ROPS-10 (ROPS-16-17A) for July to December 2016.

Table 2 - Successor Agency (SA) ROPS-9 and ROPS-10 HUD OIG Audit Debt Repayment Balances and Approved Repayment Amounts by the State Department of Finance (DOF).

ROPS Line Item	HUD Balance	DOF Approved
Repayment Agreement for original \$78,787,000 to CDBG Program Income		
Line Item 626. ROPS-9	\$67,334,100	\$3,294,500
Line Item 626. ROPS-10	\$64,039,600	\$10,912,000
Naval Training Center NTC HUD Section 108 Loan \$5,431,000. Missing Repayment Agreement.		
Line Item 627. ROPS-9	\$6,244,466	\$211,422
Line Item 627. ROPS-10	\$6,033,044	\$2,023,637
Remaining HUD OIG Audit Debt \$144,214,499. Missing Repayment Agreement/Schedule.		
Line Item 628. ROPS-9	\$151,493,522	\$500,000
Line Item 628. ROPS-10	\$150,993,522	\$8,000,000

Due to lack of Post Audit Comprehensive Annual Financial Reports (CAFR) for the Successor Agency (SA) since FY-2011 to the present, any Scheduled HUD OIG Audit Debt Repayments cannot be independently confirmed, by the Recognized Obligation Payment Schedules ROPS-1 to ROPS-10.

In addition, it seems City staff may have directed Repayments for ROPS Line Items 627 and 628 to be deposited into the City of San Diego's General Fund instead of HUD CDBG Program Income. Please investigate these contradictions so that all HUD Repayments are made to HUD Programs. The City of San Diego Oversight Board specifically only allowed Repayments for HUD Programs, and disallowed repayments of \$40 million in Long-Term Misc. Debt to the City's General Funds.

PROPOSED SOLUTIONS:

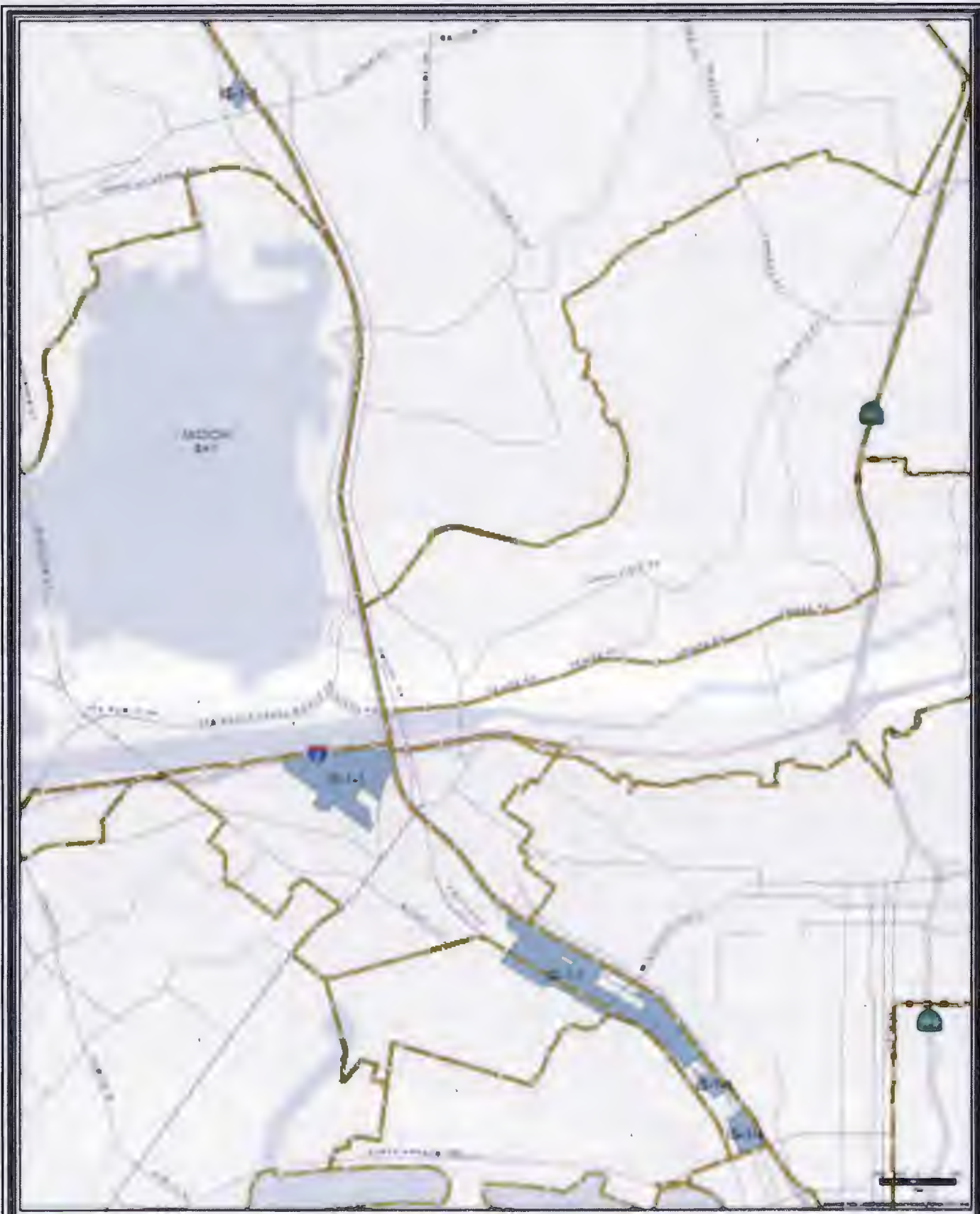
1. Required Post-Audit CAFR of the Successor Agency and LMIHAF for FY-2011 to FY-2016. Confirm HUD OIG Audit Debt Repayments Made to Date.
2. Changed the Payee for ROPS Line Items 627 and 628 to the full Regional Continuum of Care Council (RCCC) instead of the City of San Diego's Economic Development Department.
3. Recalculate and Add +\$64 million in Accrued Interest at the annual Rate of 4%, for the original full \$228.4 million in HUD OIG Audit Debt Repayments as of July 1, 2009 to ROPS Line Item 628 for use by the full Regional CoC. $I = P \times R \times T = \$64m = \$228.4m \times 4\% \text{ per year} \times 7 \text{ Years}$.

If you have any questions, please do not hesitate to contact us at 619-523-4350, rhodes@laplayaheritage.com

Regards,

Katheryn Rhodes and Conrad Hartsell, MD, 371 San Fernando Street, San Diego, CA 92106.

Figure 1. Proposed Limited Zones IS-1-1 for Emergency Shelter that are too small to house all the Unsheltered in San Diego. Useless. ATTACHMENT 3
March 17, 2016 Planning Commission Item 8. Reduced Area -98%.



September ~~29~~¹⁵ 2014

City of San Diego
202 C Street
San Diego, California 92101

Subject: Item 200 FY-2014 HUD CAPER
Comprehensive Annual Performance and Evaluation Report
City Council Hearing of Monday September ~~29~~ 2014.
<http://tinyurl.com/20140915b> 15

Reference: Item S-400 Reinstatement of SA Loan Agreement for Long-Term Miscellaneous Debt
<http://tinyurl.com/20140728a> City Council Hearing July 28, 2014. Attachment D.

Please amend the required HUD FY-2014 Comprehensive Annual Performance and Evaluation Report (CAPER) by amending Page 44 of the CAPER to include the initial balance of HOME funds and the use of the full amount of Program Income (PI) first; a discussion on the San Diego Housing Commission's (SDHC) lack of the use of the newly created HUD HOME Tenant Based Rental Assistance (TBRA) Homeless Vouchers budgeted for \$300,000 to end Veterans and Chronic Homeless by the 2015 deadline; and a discussion on the July 28, 2014 Successor Agency (SA)/City Council Hearing, Item S-400 Reinstatement of SA Loan Agreement for Long-Term Miscellaneous Debt including the outstanding \$144,214,499 balance in HUD Office of Inspector General (OIG) CDBG Program Income that has been reclassified to Inter-Agency LAIF debt and subject to the State LAIF rate.

The CAPER Page 2 states, "*Per HUD guidelines, PI [Program Income] ... must be used first.*" However in Attachment A – CAPER Page 44 the discussion states that there was \$4,158,635 in HOME Program Income (PI), and only \$3,792,943 in PI was spent. When according to HUD Guidelines the full \$4,158,635 in Program Income (PI) should have been used first, before the \$4,309,278 in FY-2014 HUD HOME Allocations, and the \$1,028,445 in HOME Prior Year Reserves.

CAPER Page 46 states: "*In FY-2014, the TBRA [Homeless Voucher] program was on hold due to other funding priorities providing similar assistance to the chronically homeless men, women, and children.*" This is not an acceptable explanation in that there were no similar Homeless Vouchers assistance for the Homeless, and even with \$9,130,666 HOME funds spent in FY-2014, there was still an outstanding Unencumbered balance of \$3,832,631 that could have been used TRBR Homeless Vouchers to meet the Federal HUD Goals of ending Veterans and Chronic Homelessness by 2015. Instead the Federal HUD HOME money went unspent, while over 63 homeless San Diegans died due to a lack of basic Shelter. The Table in Attachment B was created using information at www.hudexchange.com and shows that from March 31, 2013 to June 30, 2014 the County of San Diego Consortium used 375 TBRA homeless vouchers for Foster Youth and Family Reunification, while the same time period the City of San Diego used Zero (0) TBRA Homeless Vouchers. This FY-2015 the SDHC has budgeted \$315,000 for TBRA Homeless Vouchers. Hopefully the TBRA Homeless Voucher program will start without further excuses.

Attachment D shows excerpts from Item S-400 Reinstatement of Successor Agency (S) Loan Agreement for Long-Term Miscellaneous Debt for the City Council Hearing July 28, 2014 <http://tinyurl.com/20140728a>. The City reclassified the outstanding HUD OIG Audit Balance of \$144,214,499 in CDBG Program Income as General Inter-Agency Debt. Please explain the reclassification to HUD.

Regards,

Katheryn Rhodes
371 San Fernando Street, San Diego, California 92106. 619-523-4350 rhodes@laplayaheritage.com

4. Assessments

- a. Detail results of onsite inspections of rental housing.
- b. Describe the HOME jurisdiction’s affirmative marketing actions.
- c. Describe outreach to minority and women owned businesses.

Program Year 5 CAPER “HOME/ADDI” Response:

The City received an allocation from HUD of \$4,309,278 in HOME funds for the period of July 1, 2013, through June 30, 2014. Table 8 below shows how the FY 2014 funds were allocated and how much was expended per activity type:

Table 8: FY 2014 HOME Funds Allocation and Expenditure

Activity	FY 2014 Allocation	Funds spent during FY 2014*
Rental Housing Production	\$1,287,087	\$3,821,605
Community Housing Development Organizations (CHDOs)	\$0	
Homebuyer Activities	\$2,180,770	\$4,233,358
Homeowner Rehabilitation	\$411,023	\$121,154
Tenant-Based Rental Assistance	\$300,000	\$0
Program Administration	\$130,398	\$954,549
Total	\$4,309,278	\$9,130,666

**Note that the expenditure column reflects funds allocated in previous fiscal years to projects/programs that were active during FY 2014.*

In addition to the allocation from HUD, PI of \$4,158,635 was generated during FY 2014, of which \$3,792,943 was disbursed among the programs listed above. Carryover funds from prior years were also expended in FY 2014. Thus, a total of \$9,130,666 in HOME funds was expended in FY 2014.

All of the SDHC’s HOME activities serve households with incomes that do not exceed 80 percent of the AMI and concentrate on the households included in the Con Plan’s Affordable Housing Priorities listed as “High Priority” and “Medium Priority”.

“High Priority” includes households and income groups at 80 percent or below of the AMI who are renters paying over 30 percent of income for housing, homeowners at 50 percent or below of the AMI needing housing rehabilitation, and homeownership assistance to households who are earning 31 to 80 percent of the AMI.

“Medium Priority” includes household and income groups at 51 to 80 percent of the AMI who are homeowners in need of housing rehabilitation, and homeownership assistance to households earning 0 to 30 percent of the AMI.

**CITY OF SAN DIEGO, CALIFORNIA
COUNCIL HEARING
September 23, 2010**

DRAFT FY 2010 CAPER PUBLIC COMMENTS

Teresa Quiroz, City Heights Community Development Corporation:

Summary:

City Heights Community Development Corporation has a problem with the timing of issuing the CAPER Report. The agency is also concerned with the way that even though money was allocated to fair housing, it has not actually been occurring.

The agency finds the report to be a reasonable report in general, but they would like to see a more in-depth discussion on how a much larger portion of CDBG funds went to Administration this year, and on how successfully that money has been used.

Estela De-Los Rios, Center for Social Advocacy:

Summary:

City Council awarded CDBG funding to Center for Social Advocacy for FY 2010. To this date, a contract for FY2009 to FY 2010 has not been executed and the agency has not received those funds. The agency expresses that there has been no final resolution or release of funding, yet this report states differently.

The agency is concerned with given notification of the RFP announcement for fair housing, and they are concerned that the City may be considering contracting these services out of the city.

Center for Social Advocacy wants to be given the opportunity to review the final draft before it's submitted to HUD to ensure inaccuracies and unfinished items, and they ask City Council to ensure the accuracy of the CAPER Report and that all information be properly updated before submitting to HUD.

Katheryn Rhodes:

Summary:

Federal Government would assume that there are no homeless in San Diego if they read the CAPER report. It doesn't talk about housing and homelessness at all. One thing I was going to ask them to include so HUD knows we have a problem is the grand jury report homeless in San Diego. How should be aware that the City does not have an emergency shelter operating full-time, and that one two shelter operate in the winter. In addition, The City does not use redevelopment tax increment dollars for homeless because they think it is illegal – it is not. There's so much more that I would love to meet with you and tell you all the different things. There are two impediments: Zoning and money. The City should revisit, amend the legal opinion and consult with the State of California to verify if this use of tax increment is illegal.

September 19, 2010

CDBG Program
City Planning and Community
Investment Department
1200 Third Ave #1400
San Diego, California 92101

Mayor, City Council, and City
Attorney. City of San Diego
202 C Street
San Diego, California 92101

Ms. Cissy Fisher
San Diego Housing Commission
1122 Broadway, Suite 300
San Diego, California 92101

Subject: Public Comments on the Program Year 1 CAPER
Draft Consolidated Annual Performance Evaluation Report (CAPER) for
Fiscal Year 2011, dated August 2010.
<http://www.sandiego.gov/cdbg/pdf/10draftcaper100831.pdf>
Public Comments are Due September 22, 2010.

References: <http://tinyurl.com/1992-Agreement> <http://tinyurl.com/homelessSD>
<http://www.tinyurl.com/SDHomeless> <http://www.tinyurl.com/MidwayPO>

Dear City of San Diego, and the San Diego Housing Commission:

Thank you for the opportunity to ask questions and give public comment regarding the Fiscal Year 2011 Draft Consolidated Annual Performance Evaluation Report (CAPER). Our questions are specifically in regards to Emergency Shelter and Homeless Services and Programs and the use of Redevelopment Tax Increment Funds to house and provide social services for the 2,113 Homeless individuals living unsheltered within City limits. In the City of San Diego, California, all City government officials and CCDC believe that the use of Redevelopment Tax Increment to fund Homeless Facilities and Social Service Programs for San Diego's large Homeless problem would be illegal. This local City of San Diego, misinterpretation of State law and Federal Homeless Strategies has to be corrected for public safety.

Question 1 to the SDHC: Will the San Diego Housing Commission contact the State of California , Housing Policy Development, Deputy Director Cathy Creswell at (916) 323-3177; John Shirey, Executive Director of the California Redevelopment Association; and the Federal Office of Inspector General for HUD for clarification before preparing an independent Legal Opinion to clear up the confusion if Redevelopment Tax Increment funds can be used to solve Homelessness in downtown San Diego, including social services programs and operations of Homeless Emergency Shelters?

Question 2 to HUD and the SDHC. Can the Redevelopment Agency and CCDC use the 80 percent Non-Housing, Tax Increment to fund both City of San Diego and County of San Diego responsibilities for both Emergency Shelter and Homeless Services and Programs in downtown San Diego?

Question 3 to City of San Diego. When will the City of San Diego have the necessary 2,113 Emergency Shelter beds to start reinforcing the illegal lodging laws and panhandling at major intersections city-wide?

Question 4 to HUD and City of San Diego. Currently, the City Council still thinks every Homeless Shelter requires the Discretionary approval of the City Council through public hearings and a Conditional Use Permit (CUP). Does state law require a local jurisdiction to identify locations where Emergency Shelter and Supportive Housing Programs are allowed by right, without the need for a Conditional Use Permit (CUP) or approval by the City of San Diego Code Compliance? Are the locations within City limits delineated in the attached Figures 1 and 2 of the Housing Element of the City of San Diego's General Plan?

Question 5 to City of San Diego and CCDC. In accordance with the 1992 Agreement for Tax Sharing Payments to the County of San Diego, when will Trigger 4 increase the Payments to the County from 7.0 percent to 14.7 percent? Exactly when will the substantially larger payments start being made to help the poor, maybe either July 1, 2011, or July 1, 2012, or another date?

Question 6 to City of San Diego and CCDC. In accordance with the 1992 Agreement how much money has CCDC given annually as Tax Sharing Payments to the County of San Diego for the years 1992 to the present?

Question 7 to City of San Diego. Have Individuals and/or Households been denied Emergency Shelter because of an inability to pay?

Question 8 to City of San Diego and CCDC. If Redevelopment Tax Increment Funding is not currently allowed for Homeless Facilities and Services, when will the City of San Diego and CCDC create the required Legal structure to fund solutions with Redevelopment Agency Funds?

Comment 1 to City of San Diego. Please discuss the findings and recommendations of the San Diego County Grand Jury report entitled "*Homeless in San Diego*" dated May 17, 2010, which document that hundreds of Unsheltered and Homeless San Diego citizens have died on our streets due to lack of local funding.

Comment 2 To HUD. Please force the City of San Diego to call in their outstanding Federal debt from CCDC and the Redevelopment Agency, and make CCDC and the Redevelopment Agency apply for a bank loan for Repayment of \$228 Million in Misappropriated Federal Community Development Block Grants (CDBG) and Loans to solve San Diego's Homeless problem immediately.

Comment 3 to City of San Diego. Please explain to HUD that currently the City of San Diego does not operate an Emergency Shelter due to lack of local funding. Please explain why San Diego's two Emergency Shelters only operate in the wet winter months. Plans are in the work for a new Permanent Shelter to be opened in the next few years. Please discuss the proposed locations for the Temporary Winter Shelters for this upcoming winter and next winter.

Comment 4. The following are our Public Comments. If, in general, our comments are not facts, please give us specific corrections to end the confusion.

Again today we heard from CCDC, that CCDC can only use Redevelopment Tax Increment Funds for Housing, not for Supportive Services and Social Programs for the Homeless normally provided by the County of San Diego. According to CCDC, the City of San Diego is responsible for Housing, and the County of San Diego is responsible for Social Services. However we want to legally challenge the City Attorney's Legal opinion, and confirm, that in fact, Redevelopment Tax Increment funds are an important source of funding for Housing and Emergency Shelter, and Supportive Services with Social Programs for the Homeless within their Redevelopment Project Area.

We are claiming that the existing 1992 Agreement between the City AND County of San Diego, in conjunction with State and Federal laws and Homeless prevention strategies already allows the 80 percent of Non-Housing Redevelopment Tax Increment Funds to be used after findings are made for many social services programs, facilities, and services identified in the Regional Continuum of Care strategy required by HUD, including solving San Diego's Homeless problem.

And if not, then a simple solution of a Memorandum of Understanding (MOU) between the City AND County is all that is required to fully fund and resolve our Homeless problem through the Regional Continuum of Care Strategy using CCDC's 80 percent Non-Housing Redevelopment Tax Increment Funds; Federal CDBG and

HUD loan Repayments, and the upcoming Fiscal Year 2012 increase in the Tax Sharing Percentages to the County of San Diego.

Federal law states that in addition to Federal funds for the Continuum of Care (CoC), local funding sources are needed including maximum use of Redevelopment Tax Increment, State Grants, and private funding sources. We are claiming that the City Attorney's narrow interpretation that a legal loophole exists to disallow using Redevelopment Tax Increment funds for social services, programs, and operations of Emergency Shelter for the Homeless within the City of San Diego is not in conformance with newer (post-1992) State and Federal laws and strategies for solving Homelessness, which mandates and encourages multi-agency cooperation and funding from the local to Federal levels. Federal and State Homeless Strategies specifically include maximum use of local Redevelopment Tax Increment funds to solve our dire Homeless problem.

To make the issue of the use of Redevelopment Tax Increment funds to solve our Homeless problem bulletproof, if needed, a Memorandum of Understanding (MOU) should be made between the City AND County of San Diego allowing with findings, the full 80 percent of Non-Housing funds, which includes the County of San Diego Tax Sharing Payments, to be available to help our most vulnerable citizens access public housing and social services, while eliminating blight and urban decay.

By accepting Federal HUD funds such as Section 8, CDBG, Emergency Shelter Grants (ESG), and HUD loans, the San Diego City Council is required to provide any Homeless person Emergency Shelter. In San Diego, as part of Federal HUD reporting requirements, the Federal permanent Supportive Housing Program (SHP) includes a local to Federal Regional Continuum of Care (CoC) strategy that includes the maximum use of local Redevelopment Tax Increment funds from the City of San Diego Redevelopment Agency. All government agencies are to work with the local Non-Profits, and the faith based communities to solve our blight and slum producing Homeless problem.

Memorandum MS-59 from the Office of the City Attorney of San Diego dated May 21, 2010 entitled "*Use of Redevelopment Agency Funds for Social Services Programs or Operations of Homeless Services*" comes to the conclusion that "***No. The Agency may not use Agency funds for Social Service Programs or Operations of Homeless Shelters.***"

After consultation with State and Federal Housing and Redevelopment Officials, we believe City Attorney Memorandum MS-59 should be reviewed and amended. We are claiming that the City Attorney's Memorandum MS-59 misinterprets California Redevelopment Law by implying that the use of Redevelopment Tax Increment funding to solve our Homeless problem is illegal under State of California law. We are asking for an independent Legal Opinion from SDHC staff after consultation with State of Federal Housing officials. Specific sentences we are challenging in the City Attorney's MS-59 include the following:

- "*None of the Agency's authority includes, or can be interpreted to include social service programs or operations of a homeless shelter.*"
- "*Non-Housing Funds may not be used to fund Social Service programs or operate Homeless Shelters.*"
- "*Thus, without the specific authority in the Community Redevelopment Law for the Agency to provide for social service programs or operations of homeless shelters, the use of tax increment for these purposes may be considered contrary to requirements set forth in California Health and Safety Code Section 33678(b) in that such expenditure would provide a broad community benefit rather than a benefit primary to the Project Area.*"
- "*The Community Redevelopment Law does not provide the requisite authority for the Agency to use Agency funds for Social Service programs and operations of homeless shelters.*"

The May 22, 1992 Agreement for Cooperation between the Redevelopment Agency of the City of San Diego AND the County of San Diego was created when the City Council approved the merging and expansion of CCDC's Project Area. We agree that California Redevelopment law requires both the City AND County to come to a written agreement on the requisite authority to funds social service programs and construct facilities for the Homeless including Emergency Shelter. We are claiming that the 1992 Agreement specifically gives the Redevelopment Agency the authority to fund Homeless Facilities and Social Services Programs.

For Fiscal Year 2009-2010, the 80 percent of Non-Housing funds for Fiscal Year 2009-2010 calculate to \$95,966,833. The Redevelopment Tax Increment funds to pay the County of San Diego for the 1992 Tax Sharing Agreement can financially support Counseling, Educational, Training, Mental Health, Alcohol and Drug Rehabilitation, Children's Service, Health, and Welfare Facilities and Programs, and are required to come from the 80 percent of Non-Housing funds.

We are claiming that California Redevelopment Law and the 1992 Agreement specifically authorizes and allows CCDC, the Redevelopment Agency, and the City AND County of San Diego to use the 80 percent of Non-Housing Redevelopment Tax Increment funding in CCDC's Centre City Project Area for the following Acceptable Uses, Social Services, Facilities, and Programs as part of the joint City AND County of San Diego Regional Continuum of Care (CoC) program required by the Federal Department of Housing and Urban Development (HUD). Acceptable Uses for Redevelopment Funds in the 1992 Agreement include:

- Counseling, Educational, and Training Facilities and Programs for misdemeanants/light felons.
- Mental Health Facilities and Programs.
- Alcohol and Drug Rehabilitation Facilities and Programs.
- Children's Service Facilities and Programs.
- Health and Welfare Facilities and Programs.
- Courtroom and Justice Facilities and Programs.

According to the 1992 Agreement between the City AND County of San Diego, the 80 percent Non-Housing Redevelopment Tax Increment funds can be used for new Facilities and Social Service Programs to reintegrate our Homeless citizens back into society. This fact that Redevelopment Agency funds can be used for Homeless Facilities and Programs is in direct conflict with the City Attorney's Legal Memorandum MS-59.

The Ninth Circuit Court of Appeals ruled that the issuing of illegal lodging tickets by the police was "*cruel and unusual punishment*" and unconstitutional when Homeless Emergency Shelters had too few beds. In 2007, the San Diego City Council agreed to a legal settlement where "*police officers will not issue illegal lodging tickets to homeless people between 9:00 p.m. and 6:00 a.m. sleeping on public property, if the act of sleeping outdoors is their only offense.*" In the final CAPER report please include Demographics for the Homeless population, with solutions and a timeline when the City of San Diego will have enough Emergency Shelter beds to ticket those who refuse help. Tickets for illegal lodging can only be issued by Police Department if the City of San Diego had the required number of warm beds to support and shelter the Homeless population. Currently the required number of additional Emergency Shelter beds and/or permanent Supportive Housing units is 4,531 for the County of San Diego, which includes 2,113 required additional warm beds within the City of San Diego limits. The presence of enough Emergency Shelters and permanent Supportive Housing units to house all our Homeless citizens would allow the City of San Diego to ticket Homeless individuals who refuse help and services. Resolving our Homeless problem can also lead to a ban on pan-handling on our public intersections.

If the City of San Diego, CCDC, and the SDHC still believe a legal loophole exists in order to disallow the use of local Redevelopment Tax Increment funding to solve our Homeless problem, a MOU between the City AND County should be written to fully fund and resolve our Homeless problem, without any more excuses.

If an MOU is not enough Legal Authority, as an alternative San Diego can follow the example of the Los Angeles City AND County which formed a Joint Powers Authority (JPA) called the Los Angeles Homeless Services Authority (LAHSA) which can be used as a template and legal structure. The LAHSA model includes examples of regional cooperation and local funding mechanisms using the 80 percent of Non-Housing City of Los Angeles tax increment revenue.

In the State of California, a local City government is responsible for providing physical Emergency Shelter and Housing for the Homeless. Choosing to provide Emergency Shelter within the City of San Diego should not be a Policy Decision to be made by the City Council. Instead according to California State Law within the Health and Safety Code, Emergency Shelter from the elements is a right of citizens within a City's jurisdiction, especially when San Diego receives Federal HUD funds. Denying Emergency Shelter to any Citizen is discrimination. Health and Safety Code Section 50801 states: **“No individual or household may be denied Emergency Shelter because of an inability to pay.”** In San Diego County, over 4,000 Citizens a day are denied basic Emergency Shelter.

Redevelopment Agency's Repayment of \$228 Million in Misappropriated Federal CDBG Funds.

The Audit Report 2009-LA-1005 for the *City of San Diego's Administration of Redevelopment Agency Community Development Block Grant (CDBG) Program Projects* by the Office of Inspector General for the Federal Department of Housing and Urban Development (HUD), dated December 30, 2008 documented the City of San Diego's **failure to properly administer \$228 million** in CDBG funds and HUD Section 108 Debt that could have been used for Emergency Shelter for the Homeless and provide social services to the poor. Currently, San Diego uses Federal CDBG funds for the two temporary Winter Shelters and the Neil Good Day Center.
<http://www.sandiego.gov/redevelopment-agency/pdf/attachbfy2010redeverafcdbgcitydebtpaymentsrpt.pdf>

The three (3) National CDBG Objectives are as follows:

1. Benefit low- and moderate-income persons.
2. Aid in preventing or eliminating slums or blight, or
3. Address a need with a particular urgency because existing conditions pose a Serious and immediate threat to the health or welfare of the community.

According to the online documents provided by the City Clerk, the City of San Diego Redevelopment Agency and CCDC owes the poor over \$228 million in Federal CDBG and HUD Section 108 Debt that the Federal government requires to be paid back into San Diego's CDBG fund for the poor and Homeless. The City of San Diego and the Redevelopment Agency agreed to repay back the misappropriated Federal funds in 2008/2009. However, San Diego has negotiated in Bad Faith by implying the Inspector General of HUD is fine with the Redevelopment Agency of San Diego forgiving itself of \$144 million dollars in Federal HUD debt. The Federal government never gave the City of San Diego or the Redevelopment Agency the impression that \$144 million dollars of Federal debt could be deleted and erased from the books, instead of be used to help the poor and Homeless as required by the national CDBG Objectives and the acknowledgement and use of Federal HUD Funds, Loans, and Debt.

The repayment of **\$228 million** dollars in misappropriated Federal Community Development Block Grants (CDBG) and continuous Redevelopment Agency tax increment funds can be used to solve the San Diego and Veterans Homeless problem city-wide including specific facilities and programs for the mentally ill, children, and seniors.

Through a coalition of Federal, State, and County political pressure, the City of San Diego and its Redevelopment Agency can be forced to fund Emergency Shelters immediately due to their Bad Faith efforts of trying to renege \$144 million in misappropriated Federal Community Development Block Grants (CDBG) fund for the Homeless and poor. This can be done by forcing the City of San Diego and/or CCDC to take out a loan to repay the Federal government for the money they stole, and tried to renege.

Increasing Tax Sharing Percentages and Payments to the County of San Diego in Fiscal Year 2012.

Table I is a breakdown and extrapolation of Percentages and Payments from Page 3 of the May 22, 1992 Agreement for Cooperation between the Redevelopment Agency of the City of San Diego AND the County of San Diego (Appendix A). The 1992 Agreement identified the two triggers (a) and (b) that need to be met before the Percentages of Tax Increment Funding is increased from the current 13.10 percent, to 30.58 percent. For modeling purposes, we are using the Fiscal Year 2009-2010 Tax Increment of \$119,956,541 for the total Centre City Redevelopment Project Area. The Four Identified 1992 Tax Sharing Entities of CCDC’s Centre City Project Area, include the County of San Diego, San Diego Community College District, San Diego Unified School District, and the San Diego County Office of Education.

Table I – Summary of CCDC’s Tax Sharing Formulas for the Centre City Project Area to the Four Tax Sharing Entities; with Associated Agency Payments Based Upon the Fiscal Year 2009-2010 Centre City Redevelopment Project Area Tax Increment Annual Total of \$119 Million.

Triggering Provision	Payment as a Percentage of Property Tax Revenue to San Diego Tax Sharing Entities per the 1992 Agreement				
	County	Community College District	Unified School District	County Office of Education	Total
Beginning the first fiscal year after annual Property Tax Revenues allocated and paid to Agency equals \$27 Million.	7.00 % \$8,396,958	1.65 % \$1,979,283	4.00 % \$4,798,262	0.45% \$539,804	13.10% \$15,714,307
Beginning the First Fiscal Year after (a) Annual Property Tax Revenues Allocated to the Project Area equal \$114 Million; and (b) Cumulative Property Tax Revenues allocated and Paid to the Agency attributable to the Columbia, Marina and Gaslamp Sub Areas equal \$630 Million.	14.70% \$17,633,612	1.78 % \$2,135,227	13.60 % \$16,314,089	0.50% \$599,783	30.58% \$36,682,711
Payment Change for Fiscal Year 2011 or 2012, Due to Meeting Both Triggers in Fiscal Year 2010 or 2011.	\$9,236,654	\$155,944	\$11,515,827	\$59,979	\$20,968,404

For Fiscal Year 2009-2010 and as used in this example, the Tax Increment for the total Centre City Redevelopment Project Area was \$119,956,541. For Fiscal Year 2009-2010, the historic Cumulative Tax Increment for the Columbia, Marina and Gaslamp Sub Areas equal \$609,214,818, which is less than the \$630 Million dollar Trigger (b) threshold.

Trigger (a) \$114 Million was met in 2008. The second threshold, Trigger (b) a Cumulative \$630 Million, will be reached during Fiscal Year 2011. The trigger for the higher percentages of tax sharing will occur in the year following the year the threshold is met, Fiscal Year 2012.

As seen on Table I, currently the County of San Diego Tax Sharing Percentage is 7.00% for a total of \$8,396,958 a year. Existing Redevelopment Tax Increment Funds to the County are being used mainly for Courtroom and Justice Facilities and Programs. Per the 1992 Agreement, this income can also be used as a source of funding for many social services including Counseling, Educational, Training, Mental Health, Alcohol and Drug Rehabilitation, Children's Services, and Health and Welfare Facilities and Programs. In Fiscal Year 2012 the Tax Sharing Percentage with the County of San Diego will increase from 7.0 percent (%) to 14.70 percent to approximately \$17,633,612, which is an increase of an additional \$9,236,654. It would be in the best interest of the City AND County of San Diego to make sure the increase Tax Sharing funding starting in Fiscal Year 2012 is used specifically for the Health and Safety of the Homeless, Mentally Ill, children, seniors, and Veterans sleeping on our public streets and alleys in downtown San Diego, public parks, and along the San Diego River.

SHOVEL READY PROJECTS THAT REQUIRE FINANCING BEFORE CONSTRUCTION.

There are several housing and Emergency Shelter projects that could be implemented immediately after local sources of funding for construction are identified and secured. Permanent Supportive Housing Programs (SHP), not temporary Emergency Shelter, is the ultimate goal to solve the regional Homeless problem. Our two-phase Regional Plan includes temporary Emergency Shelter, leading to permanent Supportive Housing Programs (SHP) surrounded by access to social services like transportation, counseling, drug rehab, and job placement.

Phase 1 - Temporary Emergency Shelter.

A series of citywide temporary Emergency Shelters to get all San Diego Citizens off the streets is required immediately to be funded with Redevelopment Tax Increment Funds that are sitting in the bank. These hundreds of millions of dollars are not being leveraged, and not working for the public's benefit. <http://www.sandiego.gov/planning/genplan/pdf/housingelement/hefinalnov2006.pdf>

The Housing Element of the City of San Diego's General Plan shows where local NIMBY opposition to Emergency Shelters and Transitional Housing locations are not potential roadblocks. By California State law, Emergency Shelters and Transitional Housing are allowed Ministerially without the need to Notify the neighbors or to go through local Planning Boards for site approval in pre-designated zones. Any new permanent Supportive Housing Program (SHP) will take 1 to 2 years to build, and the Homeless can use adaptive reuse of existing buildings for Emergency Shelters immediately, as-is, within designated areas.

These temporary Emergency Shelters can be set up in closed storefronts throughout San Diego including closed down big box stores like Mervin's, and Circuit City. Also the City of San Diego and CCDC should analyze locations on public land where the Homeless can camp in a secure environment before Permanent Supportive Housing is built in the next few years. In addition, parking lots should be indentified city-wide where the poor who sleep in their cars due to Homelessness have a secure location to sleep with access to restrooms and showers.

Phase 2 – Permanent Supportive Housing.

In order to end Homelessness in San Diego County, the region has to construct Permanent Supportive Housing Programs (SHP) for at least 5,000 San Diego citizens county-wide. The Permanent Supportive Housing Programs (SHP) should include new mental health, substance abuse, domestic violence, and HIV/AIDS Housing Units in accordance with San Diego County Regional Continuum of Care Council (RCCC) recommendations. Specific Permanent Supportive Housing Projects and Homeless solutions that are shovel-ready and that could be immediately constructed in areas identified in Figure 2 include the following projects:

- Immediate adaptive Reuse of the Midway Post Office and 10+ acres of asphalt parking lot to create a Veterans Campus modeled after the nearby Veterans Village of San Diego.
- 500 Units/Beds at Father Joe’s Village with Chelsea Development, located at 1402 Commercial Street in the East Village on property owned by St. Vincent de Paul- Construction cost \$43 Million. This project is ready to be built, but lacks funding.
- Acquisition and conversion of the 225-bed Sharp Cabrillo Hospital in the Midway area for long-term Medical care and a Hospital specifically for the Homeless and indigent communities.
- Two rural ranches in the backcountry of San Diego County owned by St. Vincent de Paul. The 118-acre Flying A Ranch near Lake Morena and the 600-acre Promise Land Ranch in Campo, California. <http://www.achildredivillage.org/facilities.html>

Again, thank you for the opportunity to provide comments and questions for the Final CAPER.

Regards,

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Response to Ms. Rhodes letter dated September 15, 2014

Reference: Item S-400 Reinstatement of SA Loan Agreement for Long-Term Miscellaneous Debt

COMMENT 1:

Please amend the required HUD FY-2014 Comprehensive Annual Performance and Evaluation Report (CAPER) by amending Page 44 of the CAPER to include the initial balance of HOME funds and the use of the full amount of Program Income (PI) first; a discussion on the San Diego Housing Commission's (SDHC) lack of the use of the newly created HUD HOME Tenant Based Rental Assistance (TBRA) Homeless Vouchers budgeted for \$300,000 to end Veterans and Chronic Homeless by the 2015 deadline; and a discussion on the July 28, 2014 Successor Agency (SA)/City Council Hearing, Item S-400 Reinstatement of SA Loan Agreement for Long-Term Miscellaneous Debt including the outstanding \$144,214,499 balance in HUD Office of Inspector General (OIG) CDBG Program Income that has been reclassified to Inter-Agency LAIF debt and subject to the State LAIF rate.

The CAPER Page 2 states, "Per HUD guidelines, PI [Program Income] ... must be used first. However in Attachment A – CAPER Page 44 the discussion states that there was \$4,158,635 in HOME Program Income (PI), and only \$3,792,943 in PI was spent. When according to HUD Guidelines the full \$4,158,635 in Program Income (PI) should have been used first, before the \$4,309,278 in FY-2014 HUD HOME Allocations, and the \$1,028,445 in HOME Prior Year Reserves.

CAPER Page 46 states: "In FY-2014, the TBRA [Homeless Voucher] program was on hold due to other funding priorities providing similar assistance to the chronically homeless men, women, and children." This is not an acceptable explanation in that there were no similar Homeless Vouchers assistance for the Homeless, and even with \$9,130,666 HOME funds spent in FY-2014, there was still an outstanding Unencumbered balance of \$3,832,631 that could have been used TBRA Homeless Vouchers to meet the Federal HUD Goals of ending Veterans and Chronic Homelessness by 2015. Instead the Federal HUD HOME money went unspent, while over 63 homeless San Diegans died due to a lack of basic Shelter. The Table in Attachment B was created using information at www.hudexchange.com and shows that from March 31, 2013 to June 30, 2014 the County of San Diego Consortium used 375 TBRA homeless vouchers for Foster Youth and Family Reunification, while the same time period the City of San Diego used Zero (0) TBRA Homeless Vouchers. This FY-2015 the SDHC has budgeted \$315,000 for TBRA Homeless Vouchers. Hopefully the TBRA Homeless Voucher program will start without further excuses.

The San Diego Housing Commission (SDHC) has received from the City of San Diego the written comments provided by Ms. Kathryn Rhodes during the public comment period that ended on September 17, 2014, for the Fiscal Year 2014 Comprehensive Annual Performance and Evaluation Report (CAPER).

San Diego Housing Commission Response: The SDHC is not suggesting revisions to the CAPER at this time.

Information regarding the Fiscal Year 2014 initial budget for U.S. Department of Housing and Urban Development programs in the City of San Diego is available on the City of San Diego's website. Ms. Rhodes should be directed to the Fiscal Year 2014 Annual Action Plan: <http://www.sandiego.gov/cdbg/pdf/fy14cdbggaap.pdf>.

COMMENT 2:

Attachment D shows excerpts from Item S-400 Reinstatement of Successor Agency (S) Loan Agreement for Long-Term Miscellaneous Debt for the City Council Hearing July 28, 2014. The City re-classified the outstanding HUD OIG Audit Balance of \$144,214,499 in CDBG Program Income as General Inter Agency Debt. Please explain the reclassification to HUD.

City of San Diego Response: In accordance with the Office of the Inspector General recommendation in the December 2008 audit of the City's CDBG program, the City, Agency and HUD reached an agreement regarding the repayment of CDBG funds recorded as debt from the Agency to the City. The terms of this agreement, memorialized in the CDBG Loan Repayment Agreement, include the repayment of \$78.8 million from the Agency to the City over the next 10 years, and the treatment of all repayment funds by the City as CDBG program income.