



THE CITY OF SAN DIEGO
COUNCIL PRESIDENT MYRTLE COLE

FOURTH DISTRICT

November 8, 2017

Judge Jeffrey B. Barton
Presiding Judge
San Diego Superior Court
220 West Broadway
San Diego, CA 92101

Re: Grand Jury Report: "Comprehending the Plight of San Diego's Homeless: Is There a Sea Change Coming?"

Dear Judge Barton:

Pursuant to California Penal Code Section 933.05(a), (b) and (c), the City of San Diego provides the attached response from the Mayor and City Council to the applicable findings and recommendations included in the above referenced Grand Jury Report.

If you require additional information or have any questions, please contact Erin Demorest, Director of Legislative Affairs, at 619-533-3920.

Sincerely,

Myrtle Cole

- Encl: 1. City response to Grand Jury Report: "Comprehending the Plight of San Diego's Homeless: Is There a Sea Change Coming?"
2. City Council Resolution R-2018-134 Rev.

**City Response to
San Diego County Grand Jury Report Titled
“Comprehending the Plight of San Diego’s Homeless: Is there a Sea Change Coming?”**

Pursuant to California Penal Code section 933(c), the City of San Diego provides the following responses to the findings and recommendations pertaining to the City of San Diego that are included in the above-referenced Grand Jury Report:

FINDINGS 01 THROUGH 05

Finding 01: *The need for low-income housing continues to increase while, at the same time, the inventory of affordable housing units is not keeping pace with demand.*

Response: The Mayor and City Council agree with the Grand Jury’s finding.

Finding 02: *Agencies and funding exist that could combine to produce low-income housing, which ultimately could save taxpayers money by getting the most vulnerable off the streets.*

Response: The Mayor and City Council agree with the Grand Jury’s finding.

Agencies and funding exist and are being combined to produce low-income housing, which could save taxpayers money by getting the most vulnerable off the streets. The City is also diligently working to leverage all available resources to address this issue.

For instance, the City is working with the San Diego Housing Commission (Housing Commission) on the next phase of its Homelessness Action Plan, HOUSING FIRST – SAN DIEGO, to leverage \$79.7 million in local and federal funding over the next three years to provide housing opportunities for thousands of homeless San Diegans. This plan includes:

- Expanding the Housing Commission’s landlord outreach program for the “Housing Our Heroes” campaign, which has helped house close to 900 homeless veterans, to provide housing for up to 3,000 other homeless individuals
- Providing more than 700 housing vouchers for San Diego County’s “Project One For All” initiative to help provide housing with supportive services for seriously mentally ill homeless individuals
- Investing \$20 million to acquire Single-Room Occupancy units or similar property types to create 200 permanent supportive housing (PSH) units eligible for housing vouchers
- Awarding up to \$30 million to developers to create 300 new PSH units eligible for vouchers

Other recent Council and Mayoral actions to produce low-income housing have included, but are not limited to:

- Updates to the Land Development Code and Local Coastal Program to reduce permit processing times for qualified development projects, including those where 10 percent of units are reserved for low- and very low-income families.

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This is part of a larger City effort to make the development process less time-consuming and expensive, and to encourage more development of units overall.

- Approval in August by the City Council, in its role as the Housing Authority, of preliminary bond authorizations for two developments, final bond authorizations for three developments, and construction financing for another development, to help finance a total of 621 affordable housing rental units in the City of San Diego

Finding 03: *State mandates need to be followed to make available the appropriate properties for low-income housing development.*

Response: The Mayor and City Council agree with the Grand Jury’s finding.

The City follows, and will continue to follow, all state mandates intended to make appropriate properties available for low-income housing as prescribed by the California Surplus Land Act—see response to Recommendation 17-55 for additional information.

The City is also in compliance with State requirements that it adopt and update a Housing Element as part of the City’s General Plan. The Plan, which is adopted by the City and certified by the State, describes the existing and projected housing needs of the San Diego community, the barriers or constraints to providing that housing, and actions proposed to address these concerns.

Finding 04: *The public would benefit from expanded opportunities to observe the progress the City and County of San Diego are making in developing moderate- and low-income housing.*

Response: The Mayor and City Council agree with the Grand Jury’s finding.

The City Council, Housing Authority, Housing Commission, and Civic San Diego (CivicSD) hold public hearings to allow the public to participate in and observe the progress the City is making in the development of moderate- and low-income housing. Prior to decision-making by these entities, many of these developments are presented to local community planning groups as part of the City’s public outreach efforts.

Both CivicSD and the Housing Commission provide updated information online for their development projects. Information about CivicSD’s affordable housing projects is available at <http://civicsd.com/programs/affordable-housing/projects/>, and updates about the Housing Commission’s developments are available in its Annual Report (<http://online.fliphtml5.com/swlmv/gmem/#p=1>).

Finally, the City of San Diego is currently developing an annual Housing Inventory report. The report, which is expected to be released in fall 2017, will compile information such as existing housing supply for both market rate and affordable units, number of units approved by the City, and other metrics to help the City better understand its housing situation.

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Finding 05: *The City and County of San Diego have the responsibility for ensuring that low-income/affordable housing units are appropriately included in developments when inducements have been provided to do so.*

Response: **The Mayor and City Council agree with the Grand Jury’s finding.**

The City does have a responsibility to ensure low-income/affordable housing units are included in developments when the law requires. The City’s Development Services Department has controls in place to ensure that developments are constructed in accordance with plans that have been submitted and are in compliance with conditions as required.

The Housing Commission’s Compliance Monitoring Department verifies that housing units designated as affordable are occupied by qualified low- and moderate-income tenants. It also tracks tenant and landlord compliance with affordability requirements stemming from San Diego’s inclusionary housing law, density bonus land-use regulations, state and federal tax credits, and housing built with financial support from the Housing Commission. Note that the Housing Commission does not monitor compliance of affordable units that do not receive Housing Commission funding and are not subject to City program requirements (e.g., affordable units for which the U.S. Department of Housing and Urban Development provides financial assistance directly, without the involvement of the Housing Commission).

RECOMMENDATIONS 17-55 THROUGH 17-57

Below are the Mayor and City Council’s responses to Recommendations 17-55 through 17-57:

Recommendation 17-55: *Examine their process for disseminating information to potential developers about unused properties to ensure that those trying to create moderate- and low-income housing have access to them as the California Surplus Land Act requires.*

Response: **The recommendation has been implemented.**

Prior to the disposition of surplus City-owned property, the City provides the notice required by the Surplus Land Act to the agencies and entities set forth in California Government Code Section 54222. This includes private developers that request to receive notice in writing as *housing sponsors*, as defined in California Health and Safety Code section 50074. Additionally, City departments are notified in accordance with City Council Policy 700-10.

To receive the widest possible exposure to the open marketplace, commercial real estate brokers are frequently used to market City properties for sale, and local community planning groups are notified of surplus property sales. The Real Estate Assets Department’s website contains a map of all City-owned land and, further, lists properties for sale at the following link: <https://www.sandiego.gov/real-estate-assets/services/brokers>

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Recommendation 17-56: *Consider creating a means by which the public can observe the progress in creating moderate and low-income housing, including city, county, nonprofit, public-private and Housing Commission projects.*

Response: The recommendation has been implemented.

See response to Finding 04.

Recommendation 17-57: *Request an audit to verify that buildings constructed with the stipulation that low-income/affordable units be included are occupied by people who qualify to live there.*

Response: The recommendation has been implemented.

The Housing Commission’s Compliance Monitoring Department verifies that housing units designated as affordable through funding and City program requirements administered by the Housing Commission (e.g., Inclusionary Housing and Density Bonus) are occupied by qualified low- and moderate-income tenants. As noted in Finding 05, the Housing Commission does not monitor compliance of affordable units that do not receive Housing Commission funding and are not subject to City program requirements.

The City Auditor partially assessed the Housing Commission’s compliance monitoring controls during its “Performance Audit of the San Diego Housing Commission,” released in September 2016. The audit states:

In addition to compiling affordable housing production figures, we tested whether SDHC is continuously verifying the eligibility of families receiving rental assistance. To do this, we selected a random sample from the population of households receiving rental assistance as of July 1, 2015, based on data provided by SDHC. We reviewed recertification paperwork for each household in the sample and verified that the rent subsidy was paid to the landlord by reviewing payments in the check register. This review allowed us to confirm that SDHC monitors and regularly verifies participant households’ eligibility to receive rental assistance.

RESOLUTION NUMBER R- 311388

DATE OF FINAL PASSAGE OCT 31 2017

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE CITY COUNCIL'S RESPONSE TO THE JUNE 6, 2017 SAN DIEGO COUNTY GRAND JURY REPORT TITLED "COMPREHENDING THE PLIGHT OF SAN DIEGO'S HOMELESS: IS THERE A SEA CHANGE COMING?"

WHEREAS, on June 6, 2017, the 2016-2017 San Diego County Grand Jury (Grand Jury) filed a report titled "Comprehending the Plight of San Diego's Homeless: Is There A Sea Change Coming?" that requested a response from the San Diego City Council (Council) and the City of San Diego Mayor (Mayor); and

WHEREAS, the Report discusses issues that focus on low and moderate-income housing; and

WHEREAS, the Report includes five findings and three recommendations directed to the Council and Mayor which are covered by the proposed joint response; and

WHEREAS, under California Penal Code section 933(c), within 90 days after the filing of the report, each public agency which the Grand Jury reviewed, and about which it issued the Report, must comment to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the agency; and

WHEREAS, the comments required from the Council and Mayor are due to be submitted to the Presiding Judge of the Superior Court by November 17, 2017, as the City had requested and received an extension of time to respond; and

WHEREAS, the Grand Jury requested that the Council and Mayor respond to the recommendations numbered 17-55 through 17-57 in the Report; and

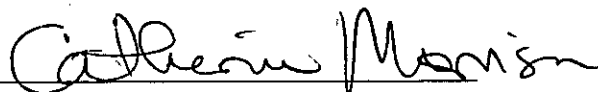
WHEREAS, the Office of the Independent Budget Analyst (IBA) has proposed a Council and Mayor joint response to the Report as set forth in IBA Report No. 17-29, dated September 1, 2017, for the Council's consideration; and

WHEREAS, at the Council meeting on October 31, 2017, Councilmember Georgette Gomez made a motion to change the proposed response which was then adopted by the Council;
NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the Council approves and adopts as its own the joint Council and Mayor response to the 2016-2017 San Diego County Grand Jury Report titled "Comprehending the Plight of San Diego's Homeless: Is There A Sea Change Coming?" as set forth in IBA Report No. 17-29, dated September 1, 2017 and revised and adopted at the October 31, 2017 Council meeting.

BE IT FURTHER RESOLVED that the Council President is authorized and directed, on behalf of the Council and Mayor, to execute and deliver the above-described joint response to the Presiding Judge of the San Diego County Superior Court no later than November 17, 2017.

APPROVED: MARA W. ELLIOTT, City Attorney

By 
Catherine C. Morrison
Deputy City Attorney

CCM:jvg
October 9, 2017
10/31/2017 REV.
Or.Dept: IBA
Doc. No.: 1599935_2

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of OCT 31 2017.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

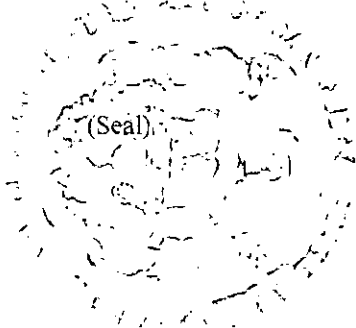
Passed by the Council of The City of San Diego on OCT 31 2017, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Barbara Bry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Ward	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Georgette Gomez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage OCT 31 2017


(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:



KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By , Deputy

Office of the City Clerk, San Diego, California

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