

LAND USE AND HOUSING COMMITTEE CHAIRMAN'S REPORT

MEETING THE AFFORDABLE HOUSING CHALLENGE: 2009 PROGRESS IN AFFORDABLE HOUSING

Summary

This report highlights the progress made in 2009 toward meeting the City of San Diego's affordable housing challenges. Working with the San Diego Housing Commission, the Redevelopment Agency, non-profit partners and private industry, a number of significant housing milestones were achieved to assist low and moderate income San Diegans. The Land Use and Housing Committee provided oversight and input into these efforts, and, in 2010, will continue to advocate for innovative strategies which will increase affordable housing stock as well as provide low- and moderate-income residents with safe, decent and affordable housing.

2009: The Numbers

- **693** new affordable housing units were created in eight housing projects located in Council Districts 2, 3, 7 and 8.
- **1,303** restricted units, spread throughout all eight Council Districts, are currently either under construction or in the pipeline.
- **14,000** low-income families received rental assistance.
- **185** units for extremely low-income individuals with chronic disabilities will be preserved using Shelter Plus Care Grants.
- Three new supportive housing developments, totaling **170** affordable units, were approved. **12** of these units are for families living with HIV/AIDS and Mental Health Services Act support and **18** units are for residents with histories of substance abuse.
- **60** homes were rehabilitated for low income households using \$1.7 million in deferred-payment loans.
- **129** low- and moderate-income families purchased their first homes.
- The Single Adult Winter Shelter supported **220** homeless San Diegans per night during the inclement weather season. The Veterans shelter supported an additional **150** homeless veterans. In all, **more than 1,170** unduplicated homeless individuals were provided with shelter, medical care and housing referral services.
- San Diego received **\$6.1 million** in stimulus funds for re-housing and homelessness prevention.
- **16** families have qualified for homelessness assistance and have found or are looking for homes. **30** more are awaiting final approval for assistance.

- **\$9.4 million** will help buyers of foreclosed properties through the Neighborhood Stabilization Program. **18** low-income families have already purchased foreclosed homes.
- **19** properties were retrofitted to become more accessible for those living with disabilities.
- In the next three years, the Lead Safe San Diego Program will protect **516** homes occupied or visited by children younger than six from lead paint hazards. **45** homes have already participated in the program.
- **\$16 million** in mortgage credits certificates were given to purchasers of foreclosed homes, making it easier to obtain and pay mortgages.
- **82** mobile home owners received grants to fix health and safety hazards in their homes.

Increasing Affordable Housing Units

- In September 2009, the Land Use and Housing Committee approved a plan allowing the San Diego Housing Commission to use equity from its existing properties to create a minimum of 350 affordable units for low- and moderate-income families. In the next five years, the Commission plans to complete acquisition or construction of 1,000 units. With this expansion, the total number of affordable units owned by the Commission will increase from 1,371 to 2,400. The Commission is already on its way to satisfying the 350-unit minimum; It recently secured \$37 million in mortgage loans and approved the acquisition of three properties, creating 292 new affordable units for families and low-income senior citizens in Council Districts 2, 4 and 8. These projects are:
 - The Sanford Hotel, an historic rehabilitation of a 130-unit SRO for extremely low-income senior citizens in downtown.
 - Riverwalk, a new construction of a 50-unit multifamily development in the Nestor area.
 - Arbor Village, an acquisition and rehabilitation project for 112 multifamily units in Logan Heights.
- Utilizing subsidies of more than \$29 million from the Redevelopment Agency, along with \$9 million in loans and \$80 million in bond financing from the Housing Commission, 693 new affordable housing units were created in Council Districts 2, 3, 7 and 8 in 2009. These projects are:
 - 16th and Market Apts., a 134-unit project with 109 units restricted to very low-income families earning less than 50% of the Area Median Income (“AMI”) and 25 restricted to low-income families earning less than 80% AMI.
 - The Boulevard Apts., a 24-unit project with all 24 units restricted to very low-income families earning less than 50% AMI.

- Arbor Terrace, a 69-unit project with 50 units restricted to very low-income families earning less than 50% AMI and 19 restricted to low-income families earning less than 80% AMI.
 - Averil Road Apts., a single-unit project restricted to a very low-income family earning less than 50% AMI.
 - La Entrada Family Apts., an 84-unit project with 58 units restricted to very low-income families earning less than 50 percent AMI and 26 units restricted to low-income families earning less than 80% AMI.
 - Los Vientos, a 16-unit project with all 16 units restricted to low-income families earning less than 80% AMI.
 - Studio 15, a 273-unit project with 173 units restricted to very low-income families earning less than 50% AMI and 100 restricted to low-income families earning less than 80% AMI.
 - Village Green Apts., a 92-unit project with 10 units restricted to very low-income families earning less than 50% AMI and 82 earning less than 80% AMI.
- Of these 693 units, 425 (61%) are restricted to very low-income families earning less than 50% AMI. 268 (39%) are restricted to low-income families earning less than 80% AMI.



The Boulevard Apartments, a 24-unit complex serving very-low income individuals and families opened in 2009 in North Park

First-Time Homebuyers Programs

- The San Diego Housing Commission awarded \$5 million to help 129 low- and moderate-income families purchase their first homes.
- The City received \$9.4 million in federal funds from the Neighborhood Stabilization Program (“NSP”), a national program providing money to purchase and redevelop foreclosed properties to create affordable housing in communities affected by foreclosures. Under this program, the Housing Commission has pre-approved 98 prospective first-time homebuyers whose annual income is no greater than 12% of the AMI for San Diego
- Using NSP funds, 18 low-income families were able to purchase foreclosed homes. 6 more are in escrow.
- The Land Use and Housing Committee approved Housing Commission Policy 300.103 in March 2009, allowing the Housing Commission to purchase and rehabilitate abandoned and foreclosed properties for resale to first time buyers or renters using NSP funds. The Commission has already purchased three homes for resale.

Housing Rehabilitation Programs

- The City received \$7 million in federal grants for its Lead Safe San Diego Program, an effort to remove lead paint hazards in homes occupied or visited frequently by children under the age of six. In the next three years, the goal is to reach 516 homes. 45 homes are already safer.
- The Housing Commission also provided \$68,000 in grants to finance the retrofitting of 19 properties to make them more accessible to persons with disabilities. Health and safety hazards were also removed from 82 mobile homes using \$5,500 in grants from the Housing Commission.
- The Housing Commission provided \$1.7 million in deferred-payment loans, enabling 60 low-income households to rehabilitate homes that fell into disrepair.

2120 Howard Ave.



This home in North Park was rehabilitated through a Housing Commission loan program for low-income households designed to prevent blight and enhance neighborhoods

Programs Targeting the Homeless and Special Populations

- On the City's behalf, the San Diego Housing Commission took control of \$6.1 million in stimulus funds to prevent homelessness, re-house those who were already homeless and divert those entering shelters to permanent homes.
- The City Council prompted the Housing Commission to establish an approach to the foreclosure crisis and the Land Use and Housing Committee approved the results in March 2009. One of the keys to the Commission's approach was the acquisition of foreclosed properties, which the Committee approved when it amended Policy 300.103. Other facets included a web-based guide with tips for those facing foreclosure and the reuse of foreclosed properties to provide affordable housing.
- The Housing Commission and City Council approved \$8.5 million in funding for three new supportive housing developments, creating 140 permanent and transitional units, 18 units for substance abuse recovery clients and 12 units for families living with HIV/AIDS and Mental Health Services Act support.

- The Housing Commission received renewal of \$2 million in Shelter Care Plus Grants, allowing it to preserve permanent supportive housing for 185 extremely low-income individuals with chronic disabilities.
- \$200,000 in “HOME” program funding from HUD was used to support rental subsidies for 18 families who graduated from domestic violence transitional programs.
- On the City’s behalf, the Housing Commission administered \$5.7 million in federal funds to help families facing homelessness. The funds provide housing assistance like security deposits rent payments. 16 families have already qualified for housing assistance and have found housing or are searching for housing, and 30 more are awaiting final approval to enter the program.
- To help purchasers get into foreclosed homes, a valuable resource for those seeking affordable housing, the Commission received \$16 million in mortgage credit certificates to help purchasers obtain mortgages and make payments.
- In partnership with the Alpha Project, the City’s temporary Winter Shelter supported 220 homeless single adults nightly from November 24, 2008 to April 1, 2009. The Veterans Shelter supported 150 homeless veterans per night. In all, 1,179 homeless individuals received shelter, medical care and referral services.
- In February, the Land Use and Housing Committee also approved amendments to Mobile Home Parks Policy 300.401, which provides relocation assistance to those displaced when mobile home parks are sold.

Rental Assistance Programs

- The federally funded Rental Assistance Program helped more than 14,000 low-income families afford housing. 7,500 are elderly or disabled, and 5,500 live on fixed incomes.
- 490 rental voucher recipients enrolled themselves in various self-improvement programs to become more self-sufficient and able to leave areas of poverty. 25 graduated and 5 purchased homes.

Removing Barriers To Development

- To counteract the affect of economy-related delays on construction, the Land Use and Housing Committee approved the deferral of Development Impact Fees (DIF) and Facilities Benefit Assessment (FBA) fees until building inspection. This ordinance also allows affordable housing projects to defer both DIF and FBA fees indefinitely.
- The Committee also approved an ordinance extending tentative maps, development permits and construction permit expiration dates so delayed projects could proceed to completion.

Looking Forward

- More than 1,303 restricted units, spread throughout all eight City Council Districts are currently either under construction or in the pipeline. These include housing that will be affordable very low-, low- and moderate-income families.
- At the direction of the Land Use and Housing Committee, the Housing Commission is currently working with stakeholders to identify a comprehensive approach to funding the Affordable Housing Trust Fund. This will include an update to the affordable housing linkage fee schedule that was noted in the City Auditor's performance audit of the Housing Commission.
- In an effort to provide additional shelter and resources for the homeless population, the City is currently working toward the development of a one stop service center and additional housing for homeless individuals to be located in the downtown area. The services/housing center concept has been developed according to nationwide best practices, and will provide access to an array of services necessary to transition homeless off the streets and into permanent housing opportunities. A Request for Proposals was issued in April, 2009, and a selection committee is currently reviewing the responses. It is anticipated that the selection committee will report their findings to the Land Use and Housing Committee during the first quarter of 2010.

The Land Use and Housing Committee is committed to oversight of the City's various affordable housing endeavors, and will continue its advocacy for affordable housing programs throughout 2010. In the coming year we expect to see several items move forward to further strengthen the City's commitment to affordable housing.

**TODD GLORIA, Chairman
Land Use and Housing Committee**