



REPORT

DATE ISSUED: January 5, 2017

REPORT NO: HCR17-009

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of January 13, 2017

SUBJECT: Delegation of Authority by the San Diego Housing Commission (Housing Commission) Board of Commissioners to Housing Commission Employees

COUNCIL DISTRICT: All

REQUESTED ACTION

ACTION OF THE SAN DIEGO HOUSING COMMISSION BOARD IS FINAL SEVEN DAYS AFTER ITS ACTION UNLESS THE HOUSING AUTHORITY ASKS TO REVIEW THE DECISION OF THE HOUSING COMMISSION BOARD

Pursuant to the provisions of San Diego Municipal Code [SDMC] Section 98.0301(e)(2)(C) any two members of the Housing Authority of the City of San Diego [Housing Authority] may ask for any matter heard by the San Diego Housing Commission Board of Commissioners [Housing Commission Board] to be forwarded to Housing Authority within seven (7) days of the approval of that matter by the Housing Commission Board, SDMC Section 98.0301(e)(2)(C). If no request for hearing is received within the seven (7) day period, the action of the Housing Commission Board is final, SDMC Section 98.0301(e)(1).

That the San Diego Housing Commission (Housing Commission) Board of Commissioners approve the delegation of authority to Housing Commission employees to be consistent with recent amendments to San Diego Municipal Code Section 98.0301 and proposed amendments to Housing Commission Procurement Policy.

STAFF RECOMMENDATION

That the San Diego Housing Commission (Housing Commission) Board of Commissioners take the following actions:

1. Establish levels of authority for actions by the President & Chief Executive Officer (President & CEO), or designee, together with the right of the President & CEO to set the limits of authority for the balance of the Executive and Management Service staff, within the levels of authority established by the Housing Commission Board for the President & CEO;
2. Authorize the President & CEO, or designee, to promulgate Administrative Regulations to implement the delegation of authority; and
3. Authorize the President & CEO to sign such documents and to perform such acts as are necessary to implement the approvals as recommended in this report.

SUMMARY

On November 15, 2016, the San Diego City Council approved amendments to Section 98.0301 of the San Diego Municipal Code, giving additional authority to the Housing Commission Board of Commissioners and the President & CEO, by a vote of 6-0. In accordance with Municipal Code Section 98.0301(e)(2), actions taken pursuant to this additional authority are still subject to review by the entire Housing Authority, if two Housing Authority members request to review a matter that was approved by the Housing Commission Board within seven days of the Housing Commission Board's action. The Housing Commission is also proposing amendments of its Procurement Policy to be consistent with the amendments to Municipal Code Section 98.0301, which will also be presented to the Housing Commission Board on January 13, 2017.

This proposed Housing Commission Board action will set limits of authority for the President & CEO and will allow the President & CEO to promulgate Administrative Regulations, within his level of authority for the balance of the agency.

The proposed changes to the Delegation of Authority that currently exists are shown in the redline version, which is attached as Attachment 1. Among the proposed amendments to the Housing Commission Procurement Policy are changes to Table 3.2, entitled "Expenditure and Approval Authority," to increase the dollar limit to \$250,000. The Delegation of Authority is being changed to be consistent with that amendment.

AFFORDABLE HOUSING IMPACT

The proposed changes will make the Delegation of Authority consistent with the recent amendments to Section 98.0301, which will expedite contracting, which will assist the timely development of affordable housing.

FISCAL CONSIDERATIONS

There are no fiscal impacts.

PREVIOUS COUNCIL and/or COMMITTEE ACTION

On November 15, 2016, the San Diego City Council adopted amendments to Section 98.0301 of the San Diego Municipal Code, giving additional authority to the Housing Commission Board of Commissioners and the President & CEO, by a vote of 6-0 (Ordinance number O-20746). In addition, on October 8, 2012, the Housing Authority approved the Housing Commission Procurement Policy (Housing Authority Resolution number HA-1568), which is now being amended. The Delegation of Authority is being changed to be consistent with the amendments to the Municipal Code and the Procurement Policy.

KEY STAKEHOLDERS and PROJECTED IMPACTS

The adoption of the proposed Delegation of Authority will aid in the timely production of affordable housing and will benefit developers and members of the public who are in need of affordable housing. In some cases, there is a need to obtain an approval of an acquisition or disposition of real estate in a limited period of time. This Delegation of Authority will ensure that such actions will be taken in a timely manner.

ENVIRONMENTAL REVIEW

The proposed resolution is not a project as defined by the California Environmental Quality Act (CEQA) Section 21065 and State CEQA Guidelines Section 15378(b)(2), as they are general policy and procedure making activities of a governmental entity. The determination that this activity is not subject to CEQA, pursuant to Section 15060(c)(3), is not appealable and a Notice of Right to Appeal the Environmental Determination (NORA) is not required. These activities contemplated are exempt under the National Environmental Policy Act (NEPA) pursuant to Part 58.34(a)(3) of Title 24 of the Code of Federal Regulations.

Respectfully submitted,

Charles B. Christensen
Charles B. Christensen
General Counsel

Approved by,

Jeff Davis
Jeff Davis
Executive Vice President & Chief of Staff

Attachments:

- Attachment 1: Redline of Delegation of Authority
- Attachment 2: Clean Version of Delegation of Authority

Hard copies are available for review during business hours at the security information desk in the main lobby and the fifth floor reception desk of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials in the "Public Meetings" section of the San Diego Housing Commission website at www.sdhc.org

ATTACHMENT 1

Attachment A

DELEGATION OF AUTHORITY

DELEGATION OF AUTHORITY FROM HOUSING AUTHORITY TO SAN DIEGO HOUSING COMMISSION (Subject to the limits set forth in the attached Exhibit 1)

1. **Contracts/acquisitions for goods/services are cumulative by vendor for same services.**

The San Diego Housing Commission may enter into multiple contracts for acquisition of goods and services with a Contractor during any fiscal year and the amounts of those contracts for the same services shall be cumulated for the purpose of determining whether Housing Authority action is required. Contracts for different scopes of services or goods with the same Contractor may be entered into by the Commission without Authority approval so long as each contract for different services, goods, etc. is within the contract authority provided for by the Ordinance. The Housing Commission may have more than one contract with a contractor for different services and the cumulative rules do not apply.

2. **Contracts/acquisitions by project are cumulative separately, by project.**

The San Diego Housing Commission may enter into contracts for acquisitions, projects, and rehabilitation loans with a Contractor, which shall be cumulated during the life of the project on the basis of each separate project (new construction, acquisition or rehabilitation activity). Cumulation is not required to cross over to different sites, projects, acquisitions or rehabilitation loans, however, no contract or series of contracts for the same project, loan rehabilitation or acquisition shall exceed the limits of Housing Commission contract authority provided for pursuant to Ordinance, without Housing Authority approval, i.e., \$250,000 (e.g., can be same owner, different projects).

3. **Aggregates for each year of multi-year contracts counted separately.**

Multi-year contracts with a single Contractor shall be analyzed separately for each year, so that a contract that provides for services and/or goods of less than \$250,000 in any 12-month period which includes renewal for subsequent years of service may be approved by the Commission, provided that amount of goods and services to be provided by the Contractor to the Commission in any one year of the multi-year term, does not exceed the specified contract authority of the Commission as set forth in the ordinance (e.g., three-year contract requiring expenditure of \$250,000 in each year) can be approved by the Commission.

4. **Approved San Diego Housing Commission Budget shows approved activities, therefore does not require Housing Authority action (only Commission).**

Once the Authority has approved the Commission's annual budget setting forth activities and expenditures of funds for any category of goods, services, and acquisitions, no further approval of a contract by the Authority is required, provided the San Diego Housing Commission lets the contracts within the parameters of the procurement policies (e.g., funds budgeted for HOPWA rental assistance do not require contract approval if used for that purpose, provided the contracts are within the limits set forth in Exhibit 1).

DELEGATION OF AUTHORITY FROM HOUSING ~~COMMISSION BOARD TO~~
~~PRESIDENT & CHIEF EXECUTIVE OFFICER [President & CEO]~~ (As referenced in Exhibit 1
attached hereto.)

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5. The President & CEO has the authority to enter into Goods and Services Contracts up to and including ~~\$250,000~~ in any year of the Contract.

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6. The President & CEO has authority to enter into Construction Contracts up to ~~\$250,000~~.

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7. The President & CEO has the authority to enter into contracts with Consultants or Architects or Engineers up to ~~\$250,000~~.

Deleted: if there has been no prior approval by the Commission, and up to \$100,000 if a project has been previously approved by the Commission or the Authority

8. The rules set forth in Paragraphs 1, 2 and 3 also apply to Contracts entered into by the President & CEO as follows:

- A. Contracts for goods/services are cumulative by vendor for like goods/services;
- B. Contracts by project are cumulative separately by project; and
- C. Multi-year contracts with a single Contractor are analyzed separately for each year.

Exhibit 1

Procurement Methods				Approval Authority		
	One Quote	Multiple Quotes	Formally Advertised Bids/RFPs	Sr. Vice-President/ Vice President	President & CEO/ <u>All Executive Vice Presidents</u>	Housing Commission
Goods & Services	Up to \$50,000	\$5,001- To \$150,000 For (Fed funding)/ to \$250,000 for Non-federal funding*	<u>More than \$150,000 for Federal Funding/ More than \$250,000</u>	Up to \$100,000	Up to \$250,000	<u>All over \$250,000 unless Housing Authority requests to review the actions of the Housing Authority Board</u> [Note: 7 days pre-notice to HA required under 98.0301]
Constructions	Up to \$50,000	<u>Same as above</u>	<u>Same as above</u>	<u>Same as above</u>	<u>Same as above</u>	<u>Same as above</u>
Consultants	Up to \$50,000	<u>Same as above</u>	<u>Same as above</u>	<u>Same as above</u>	<u>Same as above</u>	<u>Same as above</u>
Architects & Engineers	Up to \$50,000	<u>Same as above</u>	<u>Same as above</u>	<u>Same as above</u>	<u>Same as above</u>	<u>Same as above</u>

Note: The President & CEO and all EVPs or all Sr. Vice Presidents have the authority to authorize payments for actions previously approved by the Housing Commission and/or the Housing Authority.

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