City of San Diego, California

HOUSING AUTHORITY MINUTES

TUESDAY, MARCH 9, 2004, REGULAR MEETING
202 C STREET, 12TH FLOOR
CITY OF SAN DIEGO, CALIFORNIA

ATTENDANCE

Chair Murphy and Members Peters, Zucchet, Atkins, Maienschein, Frye, and Lewis. Members Inzunza and Madaffer were absent.

CALL TO ORDER

Chair Murphy called the meeting to order at 11:14 a.m.

PUBLIC COMMENT

None.

ITEM 1 APPROVAL OF THE MINUTES

Approval of the minutes of the regular meetings of January 20, 2004, February 3, 2004 and special meeting of January 27,2004.

A MOTION TO APPROVE THIS ITEM WAS CARRIED ON A UNANIMOUS VOTE OF 7-0 WITH DISTRICTS 7 & 8 ABSENT.

The meeting recessed at 11:17 a.m. for other City business and reconvened at 2:09 to hear the following item.

ITEM 2 HCR04-04 – Proposed fiscal year 2004 Budget Revision (Citywide)

Recommendation No. 1: Approve the revision that will result in a net increase to the Fiscal-year 2004 budget of $12,473,012 and recommend final approval by the Housing Authority.

Recommendation No. 2: That the Housing Authority approve the use of Section 8 Operating Reserves to support various Housing Commission Activities in FY04.

Member Atkins asked how the Federal Budget could impact the Housing Commission. Ms. Morris, CEO, replied there a two issues, one is the short-term issue of balancing the current fiscal budget and second is longer term impact on next fiscal year's budget. The CEO described the Housing Commission's current dilemma. HUD is indicating a new method of funding Section 8 in FY04 (which ends June 30) that would no longer reimburse the agency for rising market rents. If full funding, as called for by the Senate resolution, is not available, the Housing Commission could be short this fiscal year by as much as $7 million. If we stop adding families to the program now, the FY05 HUD funding would only reflect the smaller number of vouchers outstanding on June 30, substantially and permanently reducing the size of the program.

The Administration's FY05 budget proposal for HUD calls for deep cuts in the Section 8 Housing Choice Voucher program. The current program would be replaced with a new proposed voucher block grant. This would convert the current "unit-based" funding for Section 8 program into a "dollar-based" block grant, allowing us to serve fewer people. This proposed program would also cut administrative fees earned by the Housing Commission by 30%.

Member Atkins asked the City's Government Relations Department to help the Housing Commission maximize funding for the critical rental assistance program. She further stated that she supports this budget revision and suggests that the Housing Commission continue to address issues regarding condo conversion and to put funds aside for that issue. Ms. Morris stated this budget revision would add $1.25 million to the proposed Home Buyer Shared Equity Program.

A MOTION TO APPROVE THIS ITEM WAS CARRIED ON A UNANIMOUS VOTE OF 7-0 WITH DISTRICTS 7 & 8 ABSENT.

ADJOURNMENT

Chair Murphy adjourned the meeting at 2:30 PM