



Good Neighbors

San Diego
Housing Commission

REPORT

DATE ISSUED: December 16, 2005

ITEM 102

REPORT NO.: HCR06-03
For the Agenda of January 13, 2006

SUBJECT: Grant Acceptance and FY2006 Budget Revision –
HUD Lead Hazard Control Grant (Citywide)

SUMMARY

Issue 1: Should the Housing Commission recommend additional funding for its HUD funded Lead Hazard Control Program?

Recommendation: That the Housing Commission recommend Housing Authority approval to:

- 1) Accept a Lead Hazard Control Grant from the U. S. Department of Housing and Urban Development (HUD) in the amount of \$3 million, authorize the President & CEO (or designee) to execute all required documents with HUD, and revise the FY2006 Housing Commission Budget to reflect the additional funds; and
- 2) Accelerate expenditure of funds previously awarded by HUD through the Lead Hazard Reduction Demonstration Grant by further amending the Housing Commission's FY2006 Budget to transfer \$2,411,783 that was reserved for future years' lead hazard work from Reserves to Housing Programs Loans/Grants and Relocation expense lines, as indicated in the Attachment.

Fiscal Impact: This grant for \$3 million from HUD will be used over a three year grant period, with a portion of the funding to be used for two new housing rehabilitation staff to implement the program. A local program match of 39% will come from federal Community Development Block Grant (CDBG) funds, other non-federal matching funds from other housing rehabilitation program funding, and in-kind services from collaborating nonprofits and other city and county departments.

Affordable Housing Impact: This grant will result in remediation of lead hazards in approximately 225 owner-occupied and rental residential units affordable to households earning 80% or less of the Area Median Income (AMI); grants will average \$7,122 per unit.

Environmental Review: The activity funded by this grant is exempt from review under CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines and exempt from review under NEPA pursuant to 24 CFR 58, Section 58.34(a)(12).

Previous Related Actions: On June 7, 2002, and June 11, 2002, the Housing Commission and Housing Authority respectively (HCR02-046) approved the application for a similar HUD Lead Hazard Control Grant which was awarded \$1,889,755 for a targeted area in Council District 8. On May 6, 2005, and May 24, 2005, the Housing Commission and Housing Authority respectively (HCR-05-032) approved the application for a HUD Lead Hazard Reduction Demonstration Grant of \$4 million which was successfully awarded for a citywide program.

BACKGROUND

The City's Lead Safe Neighborhoods Program, initiated in 2002, has resulted in the successful collaboration of several city departments, county agencies, nonprofit and community-based organizations to reduce lead hazards in households where children under six years of age reside or frequently visit. A City Ordinance now defines lead hazards as substandard housing which can be cited by City Code Enforcement personnel.

The Housing Commission administered a HUD Lead Hazard Control Grant of \$1,889,755 from February 1, 2003 through December 31, 2005 and eliminated lead hazards in 167 owner-occupied and rental units.

A HUD Lead Hazard Reduction Demonstration grant of \$4 million was awarded to the City effective November 1, 2005 to eliminate lead hazards in 300 residential units citywide.

The subject of this report is budgeting for that \$4 million grant and an additional HUD Lead Hazard Control Grant for \$3 million, which can be used to eliminate lead hazards in 225 more residential units citywide.

DISCUSSION

The San Diego Housing Commission administered a HUD Lead Hazard Control Grant, which expired December 31, 2005, to develop a successful working model, partnering with the Environmental Health Coalition, the Metropolitan Area Advisory Committee (MAAC), the Environmental Services Department of the City, County Health Department, community health clinics and other community-based organizations. On June 2, 2005, Housing Commission staff was advised by HUD that the City was eligible to apply for an extension of the funding for that grant. The grant application was due to HUD on June 7, 2005.

The initial program focused on eight contiguous neighborhoods in Council District 8, whereas the new \$4 million program "Lead Safe San Diego," will be available citywide. The additional \$3 million HUD Lead Hazard Control Grant, which is the subject of this report, will enable the City to remediate lead hazards in at least 225 more residences and

assist the Housing Commission in working toward HUD's goal of eliminating lead paint hazards by 2010 and further preventing childhood lead poisoning.

In addition, \$2,411,783 for Loans/Grants and Relocation expenses from the \$4 million Lead Hazard Reduction Demonstration Grant that was approved in May 2005 was placed in Reserves for the Housing Rehabilitation FY2006 Budget. Staff is requesting authorization to revise the existing FY2006 Budget by transferring those funds from Reserves to Loans/Grants and Relocation expenses as indicated in the Attachment, so that they may be expended in the current budget year.

Proposed Program

The Housing Commission will administer the overall grant and the housing rehabilitation component of the proposed program, adding two full-time contract staff (Housing Construction Specialists) for the duration of the grant. The Commission will encourage the general rehabilitation of residential units as well as lead-based paint control by combining existing housing rehabilitation loan/grant programs with grants for lead control funded by the proposed HUD grant. Lead paint remediation grants will be available up to \$15,000 per single family residence and \$7,500 per multi-family unit plus \$10,000 for common areas within a multi-family project. These grants will be available citywide to owner-occupied and rental properties occupied by families with children less than six years of age. The Environmental Health Coalition will join with the MAAC Project, Mid-City Community Advocacy Network (CAN), the City's Environmental Protection Division and the Housing Commission to complete lead-based paint education and application intake, testing and lead control. The program will incorporate referrals from the County Health Department for residences with children with elevated blood lead levels (EBLL) of 5 micrograms per deciliter and above, the threshold for the program.

CONCLUSION

Reducing Lead-Based Paint Hazards is a City affordable housing strategy, as identified in the HUD approved FY2005-2010 Consolidated Plan. In addition, the City now requires lead hazards to be addressed as a substandard housing condition. These additional HUD funds will provide more means to achieve the housing strategy goals and will strengthen existing programs designed to provide lead-based paint education, detection and control activities.

Respectfully submitted,

Approved by,

Cissy Fisher
Director of Housing Finance & Development

**Signature on File
With Original Document**

Elizabeth C. Morris
President & Chief Executive Officer

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ATTACHMENT: Proposed Budget for Lead Hazard Control Grant Program

ATTACHMENT

Summary of Expenditures Housing Finance & Development (Housing Rehabilitation) – OUSA 317/318 **HUD Lead Hazard Control Grant Program**

	HF&D (Rehab) FY2006 Budget	Proposed Revision (Grant Award)	Proposed Revision (\$4 million Demo Grant)	Revised FY2006 Rehab Budget
Salaries and Benefits	991,931	103,058		1,094,989
Services & Supplies				
Legal	4,500			4,500
Training	1,400	3,750		5,150
Travel	1,300	1,000		2,300
Contract/Consultants	102,593	45,425		148,018
Office Rent	78,426			78,426
Data Processing	1,500			1,500
Sundry	33,506	2,400		35,906
Insurance	7,207			7,207
Equipment	<u>510</u>	<u>3,000</u>		<u>3,510</u>
Total Services & Supplies:	230,942	55,575		286,517
Housing Programs				
Loans and Grants	6,350,409	1,818,381	2,121,077	10,289,867
Relocation	<u>91,539</u>	<u>250,000</u>	<u>290,706</u>	<u>632,245</u>
Total Housing Programs:	6,441,948	2,068,381	2,411,783	10,922,112
Total Hsg Fin & Dev (Rehab) Budget):	7,664,821	2,227,014	2,411,783	12,303,618
Reserves:	3,286,974	<u>772,986</u>	<2,411,783>	1,648,177
Total Grant Award:		3,000,000		

First year Grant funds for personnel/administration would cover six months of FY06 revision, balance of personnel/administrative funds in Reserves for FY07, FY08, and six months of FY09 to complete three year program period.