



Good Neighbors

San Diego  
Housing Commission

## REPORT

**DATE ISSUED:** December 8, 2006 **REPORT NO:** HCR06-102

**ATTENTION:** Chair and Members of the Housing Commission  
For the Agenda of December 15, 2006

**SUBJECT:** Delegation of Authority for Internal Administrative Affairs to  
Housing Commission Board

### **REQUESTED ACTION:**

Expand the authority of the Housing Commission Board to manage internal administrative affairs of the Housing Commission and delegate responsibility for program specific policies to the President & Chief Executive Officer.

### **STAFF RECOMMENDATION:**

(1) That the Housing Authority delegate to the Housing Commission Board responsibility for certain internal administrative policies (listed below), subject to the opportunity afforded to the Housing Authority in the San Diego Municipal Code Section 98.0301(e) to review any delegated decisions at the Housing Authority's discretion; (2) That the Housing Commission delegate to the President & Chief Executive Officer (CEO) responsibility for specific program operation policies; (3) That unnecessary, redundant policies be eliminated.

### **DISCUSSION:**

The Housing Commission was created in 1979 to oversee day-to-day operations on behalf of the Housing Authority. For many years, the Mayor appointed and Council confirmed members of the Housing Commission Board which was granted sweeping authority.

In 1998, the Housing Authority delegated approval of expenditures up to \$250,000 and some major policies to the Housing Commission. The term "major policies" was never defined. Clearly, the annual budget (including salaries and benefits), significant changes to the character of the Housing Commission pension plan and policies governing housing programs that are not regulated by Department of Housing & Urban Development rules are policies that benefit from Housing Authority involvement.

However, there are many administrative, internal policies that do not affect programs or expenditures that are the primary subject of this report.

In July 2001, the Housing Authority began to distinguish operational policies from major policies, and to delegate additional responsibility for internal affairs to the Board of the Housing Commission.

This distinction between operational and policy responsibility is mirrored in other City agencies (e.g., Centre City Development Corporation and the Data Processing Corporation) that have administrative functions and staff such as Human Resources, purchasing and accounting which are separate from those of the City.

The FY2006-2008 Business Plan, approved by the Housing Commission and Housing Authority on September 16, 2005 and November 1, 2005, respectively, includes a goal to reduce the redundancy in approval processes. One of the actions the Housing Commission staff is pursuing is to review current processes and, where warranted, recommend changes.

At this time, it is recommended that responsibility for the following internal administrative policies and issues be delegated to the Board of the Housing Commission:

- Employee Relations Policy: Follows the State requirements for the processes to be followed between the Housing Commission and employee labor unions (some Housing Commission employees belong to one union, SEIU Local 535).
- Personnel Policy: Governs all aspects of employment including hiring and disciplinary practices.
- Memorandum of Understanding: The Agreement between the Housing Commission and SEIU Local 535 – a Union without ties to the City. Salaries and benefits would be included in the Annual Budget.
- Defined Contribution Pension Plan: Delegation would concern plan administration only; any change to the type of plan would be considered a “major policy” for Housing Authority consideration, as would a change to the amount of the Housing Commission’s contribution on behalf of employees.
- Equal Opportunity Plan: Reflects City and Federal policies and mandates a semi annual reporting requirement.
- Procurement Policy: HUD and the State of California dictate thresholds for procurement as well as specific processes that must be followed if Federal or State funds are involved in procurement of goods and/or services.

It is also recommended that responsibility for program operational procedures be delegated to the President and Chief Executive Officer. These policies would include:

- Security Policy: Outlines security procedures specific to Housing Commission operations and facilities.
- Safety Policy: States the Housing Commission's commitment to a safe work environment and related employer/employee responsibilities.
- Records Management Program.
- Employment of Project Area Residents & Utilization of Project Area Businesses.
- Fee Schedule: Establishes fees for technical assistance work done for other agencies, non profits or for profits as stated in the current Business Plan.
- State of California Management Plan for State Owned Rental Property.
- Resident Organizations: Clarifies HUD process for public housing residents to form Resident Councils.
- Resident Caused Major Property Damage: Describes procedures to be followed in situations of significant damage to Housing Commission owned property.

#### **Authority Retained by the Housing Authority**

As stated above, the Municipal Code provides that a written request by three members of the Housing Authority can stay any decision by the Housing Commission and call the matter before the Housing Authority for final direction. In addition, many items would continue to be docketed for Housing Authority consideration, including but not limited to:

- Annual Budget;
- Major policies issues regarding programs such as homebuyer or rehabilitation assistance, e.g., eligible beneficiaries or locations for such programs;
- The nature of housing development programs, e.g., whether to allow land banking or to offer deferred payment residual receipt loans;
- Any expenditure in excess of a Housing Authority set dollar threshold, currently \$250,000;
- Issuance of bonds;
- Purchase or sale of real estate;
- Plan for use of the Affordable Housing Fund;
- Changes to programs governed by the Municipal Code, including inclusionary housing, density bonus, condo conversion, linkage fee, etc.

### **Deletion of Redundant Policies**

Included in the catalogue of Housing Commission policies are several where the Commission policy literally restates City, State or Federal law. It is unnecessary to restate these higher regulations and, in fact, contributes to potential confusion because Commission policies should be amended continuously to keep current each time the City, State or Federal rules change. It is more efficient and more effective to delete the local policy and rely on the original body of law. Policies that are redundant in this way and are proposed for deletion include:

- Legislative Policy Guidelines (restates housing related sections of the City's guidelines currently out of date).
- Housing Commission policies consisting of direct quotes from sections of the Municipal Code dealing with Affordable Housing Density Bonus, Senior Citizen Affordable Housing, SRO Preservation Ordinance & Condominium Conversions.
- Rules on Relocation Assistance to Tenants in Rental Rehab Programs (restates Federal rules from a now defunct program).

### **Conclusion**

This report discusses, for the first time, the distinction between major policies and routine, internal administrative matters. These recommendations are intended to hold the Housing Commission responsible for internal administrative matters while retaining the ability for the Housing Authority to reconsider any delegated item. In this way, access to scarce Housing Authority docket opportunities can be reserved for more significant policy matters.

Attachment 1 includes the complete list of Housing Commission policies and the recommended approval authority for each.

Submitted by,

**Signature on File  
With Original Document**

Approved by,

Carrol M. Vaughan  
Executive Vice President &  
Chief Operating Officer

Elizabeth C. Morris  
President & Chief Executive Officer

Attachment

## AUTHORITY LEVEL RECOMMENDATIONS

Policy Title	HA	HC	President	Delete &CEO
SDHC Creation: Municipal Code Section 98.0301	X			
Establishment of the Commission	X			
SDHC General Policy	X			
Legislative Policy				X
Investment-Pension Plan Assets (updated 12/18/01)		X		
Records Management Program (posted 11/7/01)			X	
Conflict of Interest Code and Related Provisions (updated 8/13/04)		X		
Employee Relations Policy		X		
Equal Opportunity Plan (updated 4/20/01)		X		
Employment of Project Area Residents and Utilization of Project Area Business			X	
Disposition of Excess, Lost, Stolen or Abandoned Property		X		
Statement of Procurement Policy (PDF: 651K)		X		
Minority and Women Business Enterprise Utilization Program		X		
Fee Schedule			X	
Guidelines for Open Meetings & Access to Public Records		X		
Safety Policy			X	
Claims and Legal Actions Against the Housing Commission		X		
Mandatory Disclosure of Business Interests		X		
Competition Program				X
Selection of Sites for Public Housing	X			
Resolution Adopting A Real Estate Acquisition Policy	X			
Senior Citizen Affordable Housing (PDF: 1003K)				X
Multifamily Mortgage Revenue Bond Program	X			
Mobile Home Park Development	X			
Coastal Housing Program	X			

SRO Ordinance (PDF: 900K)				X
Commission Responsibilities Related to the Housing Trust Fund	X			
Administrative Plan for the Rental Assistance Programs		X		
Management Plan - State of California Rental Housing Construction Program (RCHP) (PDF: 3,362K)			X	
Security Policy			X	
Resident Organizations			X	
Resident Caused Major Property Damage			X	
Sale of Public Housing	X			
Housing Program Lending Authority	X			
Loan Committee	X			
HC Loan Defaults, Foreclosures, & Disposition of Property Acquired		X		
HC Loan Restructuring & Modification Policy	X			
Housing Rehab Program General Policy		X		
Rental Property Rehab		X		
Owner-Occupied Housing Rehab (updated 4/16/02)		X		
Redevelopment Area Rehabilitation (updated 4/16/02)	X			
SDHC Rules on Relocation Assistance to Tenants In Rental Rehabilitation Programs				X
Financial Participation in Hsg Dev, Acquisition with Rehab & Large Rehab Projects	X			
Personnel Policies (revised 07/01/2005)		X		
Memo of Understanding (revised 07.01.2005)		X		