



Good Neighbors

San Diego
Housing Commission

- 1625 Newton Avenue
- San Diego, California 92113-1038
- 619/231 9400
- FAX: 619/544 9193

REPORT

DATE: For the Agenda of July 20, 2001 **ITEM:**
REPORT NO.: HCR01-084
SUBJECT: Continued Support for the City-County Reinvestment Task Force (Citywide)

SUMMARY

Issue: Should the Housing Commission continue to partially underwrite the cost of operating the City-County Reinvestment Task Force (RTF) during FY02 by contracting, on behalf of the Task Force, with the Reinvestment Director who provides its principal support?

Recommendation: That the Housing Commission authorize the CEO to execute, with review of General Counsel, a contract that provides up to \$102,484 (\$76,070 in salary, \$21,756 in benefits and a merit award), from July 1, 2001 to June 30, 2002, for the Reinvestment Director to continue activities related to administration of the City-County Reinvestment Task Force.

Fiscal Impact: Expenditure of up to \$102,484 in support of the RTF is within FY02 budget parameters. In the event that supplemental support from the County of San Diego is not forthcoming, support is limited to not more than \$83,000 (core funding of \$50,000 from the Housing Commission, plus \$25,000 from Supervisor Roberts' office and \$8,000 from the City's Economic Development Department received in late FY01 to help support RTF efforts).

Affordable Housing Impact: RTF is responsible for monitoring bank performance regarding home mortgage lending by geographic area and Community Reinvestment Act (CRA) requirements, as well as linking lenders with local project sponsors. A continuation of these and related activities can affect the availability of loans and charitable contributions to support affordable housing and community development activities.

Previous Related Actions: On March 1, 1993, the Housing Commission approved continued funding to support the RTF in partnership with the County of San Diego through FY93, and has done so on an annual basis since that time.

Future Related Actions: None.

BACKGROUND

The Reinvestment Task Force was formed in 1977 by joint resolution of the San Diego City Council and the County of San Diego Board of Supervisors. It is comprised of lenders, community organizations and

public member, and co-chaired by a City Council member and a member of the Board of Supervisors (currently Council member George Stevens and Supervisor Ron Roberts). Members are appointed by the Co-Chairs; current membership is listed in Attachment 1. Core funding for the RTF has been provided by the Housing Commission and the County of San Diego. In addition, the RTF secures periodic funding from grants to support its research work.

The RTF meets monthly and is staffed by a Director and a Program Analyst. The Housing Commission acts as fiscal agent for the RTF and administers the contract with its Reinvestment Director. In addition, the County Housing Department provides office space and some support services and supplies. The activities of the RTF are defined by a scope of services, and a report is provided annually regarding the fulfillment of the terms included within the scope of services.

The two primary goals of the RTF are to monitor lending practices in the region and to develop strategies for reinvestment. Existing City and County policies authorize the RTF to intervene in bank mergers and develop reinvestment plans with lenders in the region. The RTF works with ten banks on these agreements, and provides the City and County with periodic progress reports. Under those agreements, \$1.3 billion were loaned in low income communities throughout the region in 1999.

DISCUSSION

The Housing Commission acts as fiscal agent, contracting with the Reinvestment Director on behalf of the City-County Reinvestment Task Force, since the Task Force is not empowered to establish contractual relationships. While the RTF has approved a three-year business plan that includes its FY02 budget, the Housing Commission determines, on an annual basis, the level of funding it will provide that, together with County funding, comprises core support for ongoing RTF operations. In FY02, the Housing Commission (in its adopted FY02 budget) and County are retaining their FY01 support level at \$50,000 each. In late FY01, the City's Economic Development Department provided \$8,000 and the County, through Supervisor Roberts' office, provided an additional \$25,000 to assist with RTF operational costs for the coming year. On May 17, 2001, the RTF approved a three year business plan, Attachment 2, that includes a budget for FY02. The FY02 RTF budget anticipates support from the Housing Commission, County of San Diego, City of San Diego, and miscellaneous small grants for a grand total of \$176,030. This level of resources is sufficient to cover the costs of the Reinvestment Director, a full time program analyst and other limited expenses (i.e., supplies, travel, postage, etc.).

A full review of FY01 Task Force performance compared to FY01 objectives listed in its scope of services is included as Attachment 3. Key FY01 Task Force accomplishments are listed below.

- Developed modified reinvestment agreements with US Bancorp and Wells Fargo Bank.
- Monitored CRA Plan performance by holding meetings with eight lenders to review progress on existing reinvestment plans.
- Completed analysis of home mortgage lending utilizing Home Mortgage Disclosure Act (HMDA) data for 1999 as part of the comprehensive Credit Needs Assessment, and presented to the City Council and Board of Supervisors.
- Maintained web site with the primary focus on providing documents which have been published by the RTF, thus serving to educate the public and disseminate information on CRA-related issues including the RTF.

- Completed second phase of a Comprehensive Credit Needs Analysis.
- Drafted a Reinvestment Master Plan and presented to the City Council and Board of Supervisors.
- Completed initial research on the “family of funds” to support affordable housing and economic development activities.
- Developed a three-year business plan for the RTF.

It is anticipated that, during FY02, the Reinvestment Task Force will achieve noteworthy milestones such as: an analysis of CY2000 home mortgage data, negotiation of new San Diego specific reinvestment plans and continued implementation of recommendations from the Comprehensive Credit Needs Assessment.

Approval of the recommendation will allow for continued operation of the RTF during FY02.

Alternatives

Discontinue or reduce funding for the City-County Reinvestment Task Force. This option would conflict with City Council direction that the Housing Commission provide partial funding for Task Force operations. This option would require the Task Force to secure alternate funding and could reduce the effectiveness of their operations for FY02.

Respectfully submitted,

Jim Bliesner
Reinvestment Director

**Signature on File
With Original Document**

Approved by,

Elizabeth C. Morris
Chief Executive Officer

Attachment(s):

1. RTF Membership
2. RTF Business Plan
3. FY01 RTF Progress Report

Bliesner/Mikelman 858-694-8729