



REPORT

DATE ISSUED: April 28, 2016

REPORT NO: HCR16-045

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of May 6, 2016

SUBJECT: Portfolio Management Department - FY 2017 Capital Expenditures Plan

COUNCIL DISTRICT: 1, 2, 3, 4, 6, 7, 8, 9

REQUESTED ACTION

That the San Diego Housing Commission (Housing Commission) recommend the Housing Authority of the City of San Diego approve the Housing Commission / Portfolio Management Department's Fiscal Year 2017 (July 1, 2016 – June 30, 2017) Capital Expenditures Plan to perform rehabilitation work at 87 different properties, including 39 single-family homes, for a total of 836 Housing Commission owned residential affordable housing rental units as detailed in Attachment 1: "Proposed FY 2017 Capital Expenditures."

STAFF RECOMMENDATION

That the San Diego Housing Commission (Housing Commission) recommends that the Housing Authority of the City of San Diego (Housing Authority) approve the following actions:

- 1) Authorize the Housing Commission President & Chief Executive Officer (President & CEO), or designee, without further action by the Housing Commission Board of Commissioners or the Housing Authority, to award contracts concerning the completion of the capital needs referenced in the report "Proposed FY 2017 Capital Expenditures" for Fiscal Year (FY) 2017 (July 1, 2016 – June 30, 2017) and any future years provided that:
 - a. Funds for the contracts are contained within Housing Authority approved budgets for FY 2017 and thereafter; and,
 - b. The Housing Commission's procurement methods, as set forth within the approved Statement of Procurement Policy, are followed in connection with each proposed contract; and,
- 2) By the approval of this matter, grant the President & CEO, or designee, the right and power to expend all funds approved by the Housing Authority contained within the 2017 Portfolio Management Department's Capital Expenditure Budget, as approved by the Housing Authority without further approvals by the Housing Commission Board or the Housing Authority;
- 3) Authorize the President & CEO, or designee, to substitute approved funding sources with any other available funds as deemed appropriate, and contingent upon budget availability, and further authorize the President & President & CEO, or designee, to take such actions as are necessary, convenient and/or appropriate to implement this approval and delegation of authority by the Housing Commission upon advice of General Counsel; and
- 4) Authorize the President & CEO, or designee, to execute all documents and instruments necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to

take such actions necessary and/or appropriate to implement these approvals in connection with the implementation of the FY17 Capital Expenditures Plan.

SUMMARY

In 2014, the Housing Commission procured a third party to conduct a Green Physical Needs Assessment (GPNA) on the Housing Commission's 155 rental properties. The GPNA recommends rehabilitation work on the Housing Commission's owned properties over a 20-year period. The scope and extent of rehabilitation work in a given fiscal year is dependent upon available funding. In FY 2017, through a combination of funding sources outlined below, the Portfolio Management Department proposes a budget allocation of \$16,398,637. This level of funding in FY 2017 provides an exceptional opportunity to conduct capital improvement critical needs work per the recommendations of the GPNA on multiple Housing Commission properties included in its three FHA LLC portfolios (44 properties), plus three properties in the North Bay and North Park neighborhoods, and 39 single-family homes (see Attachment 1 for proposed property lists). In the context of the proposed FY 2017 rehabilitation work, "critical needs" are defined as the replacement of doors, windows, cabinets and countertops, as well as upgrades to the electrical systems and HVAC repairs, as needed. This work will be project managed by the Assets Preservation Unit within the Portfolio Management Department.

In addition to addressing critical needs on the above referenced properties, five properties will receive comprehensive rehabilitation work: 121-125 Averil Road (14 apartments), 2052-2098 Via Las Cumbres (84 apartments) and three single-family homes. This work will be project managed by the Housing Commission's Development Services Department.

When prioritizing the properties to undergo rehabilitation during FY 2017, staff took different matters into consideration, such capital needs reported as per the GPNA study, property site inspections conducted by Portfolio Management, and comments from site staff (Property Managers and Maintenance Technicians). Additional considerations, such as age of the properties, financing structure, and probability for repositioning of the asset, were also considered in the prioritization process.

Federal Moving to Work (MTW) dollars (\$12,000,000) will fund the critical needs renovations at the three FHA LLC portfolios (which LLCs are wholly owned by the Housing Commission) and the comprehensive rehabilitation work at 2052-2098 Via Las Cumbres. City of San Diego bond funds (\$458,000) are the financing source for the critical needs renovation of three properties in the North Bay and North Park neighborhoods. Local property cash reserves (\$958,571) will fund capital improvements at the 39 single-family homes. Local property cash reserves will also fund staffing costs and budget contingency line items (\$2,982,066). Portfolio Management has confirmed sufficient property cash reserves are available at the level proposed for FY 2017.

Portfolio Management is working closely with other Housing Commission Departments (e.g., Procurement, Property Management, Wage Compliance, and Financial Services) to plan for the efficient and effective expenditure of the proposed FY 2017 budget allocation to ensure that the proposed FY 2017 scopes of work will be completed within FY 2017.

The Statement of Procurement Policy requires the Housing Commission Board to approve all contract expenditures that are more than \$100,000 and the Housing Authority to approve maintenance and capital improvement contract expenditures that are more than \$500,000. Requiring an additional approval for each project after the annual budget has been approved would add an additional step and approximately four to eight weeks to the contract award and execution timeline. The time saved by allowing the

budget approval process to replace the need for individual approvals for each project in the budget, would address the critical needs of dozens of properties in a more timely manner, increase the likelihood of meeting certain funding source deadlines, and result in a more efficient contracting process.

To ensure transparency, these projects will be posted on SDHC's website with dollar values and anticipated bid dates and will be updated on a quarterly basis. Bid results will be provided to the Housing Commission Board and Housing Authority on a quarterly basis.

This streamlining initiative comports with actions approved by the San Diego City Council via Ordinance Number O-20148, which streamlined its Capital Improvement Program by raising authority limits requiring City Council approval.

AFFORDABLE HOUSING IMPACT

The proposed FY 2017 Capital Expenditures Plan based on GPNA recommendations will conduct rehabilitation work on 87 Housing Commission-owned properties, or 56 percent of the Housing Commission's rental portfolio. This rehabilitation work will positively impact the lives of 742 low-income families.

FISCAL CONSIDERATIONS

The funding sources related to the implementation of the proposed FY 2017 Capital Expenditures Plan are included in the Housing Commission's FY 2017 Budget staff report, scheduled to be heard by the Housing Commission Board on May 6, 2016, and the Housing Authority on June 14, 2016. The proposed FY 2017 Capital Plan will be presented to the Housing Commission Board and the Housing Authority on the same dates as the Housing Commission's FY 2017 Budget.

Any future funds related to Portfolio Management's proposed Capital Expenditures Plan will continue to be incorporated and presented for approval with the Housing Commission's annual budget request, so that once approved for FY 2018 and thereafter, the rights and powers referenced by the this action shall continue into FY 2018 and thereafter, provided that the Housing Authority annually approves the Capital Plan annual budgets.

EQUAL OPPORTUNITY/CONTRACTING

Contracts will be awarded in accordance with the Housing Commission's approved Statement of Procurement Policy. Section 3 of the Housing and Urban Development Act of 1968, Equal Opportunity Contracting and prevailing wage requirements will be included in all solicitations.

KEY STAKEHOLDERS and PROJECTED IMPACTS

The FY 2017 Capital Plan will have a significantly positive impact on hundreds of Housing Commission's residents. Important as well will be the improved appearance of the properties, positively impacting the surrounding neighborhoods.

ENVIRONMENTAL REVIEW

Approval of the FY 2017 Capital Expenditures Plan is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15301 because the subject properties are existing facilities and the proposed maintenance, modernization, or improvement activities do not involve expansion of existing uses.

Furthermore, approval of the Capital Expenditures Plan is categorically excluded from the National Environmental Policy Act pursuant to Part 58.35(b)(3) and exempt per Part 58.34(a)(3) of Title 24 of the Code of Federal Regulations. Any undertaking related to the modernization or improvements of an existing facility, with a scope determined be unrelated provision of maintenance, furnishings, or equipment, will be re-evaluated in conformance with 24 CFR 58.5 prior to the commitment of any federal funds.

Respectfully submitted,

Approved by,

Emmanuel Arellano

Emmanuel Arellano
Director of Portfolio Management
Real Estate Division
San Diego Housing Commission

Deborah N. Ruane

Deborah N. Ruane
Senior Vice President
Real Estate Division
San Diego Housing Commission

Attachment: Report prepared by the San Diego Housing Commission Portfolio Management Department of the Real Estate Division: "Proposed FY 2017 Capital Expenditures"

Hard copies are available for review during business hours at the security information desk in the main lobby 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 on the San Diego Housing Commission website at www.sdhc.org.



SAN DIEGO
HOUSING
COMMISSION

San Diego Housing Commission

Portfolio Management Real Estate Department

Proposed FY 2017 Capital Expenditures

San Diego Housing Commission
1122 Broadway, Suite 300
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www.sdhc.org



Portfolio Management: FY 2017

Proposed FY 2017 Capital Expenditures

San Diego Housing Commission is committed to providing safe, clean, energy efficient and well maintained affordable rental housing for the citizens of San Diego. In a city with rents among the highest in the country, low and moderate income San Diego residents are all too often forced to choose where they live based on rents they can afford no matter the physical condition of the apartments. With the highest number of affordable housing apartments in the city, with its commitment to quality housing, San Diego Housing Commission is mission driven to ensure our city's low and moderate income residents have access to quality housing options.

The SDHC Portfolio Management Department, in cooperation with Property Management and supporting SDHC departments, is pursuing a fiscal and organizational planning process to evaluate and implement capital improvements across SDHC's portfolio (155 properties). The Green Physical Needs Assessment (GPNA) of the SDHC portfolio conducted in 2015 provides a property by property and year by year listing of needed rehabilitation work. The ongoing property inspections by Portfolio Management's Housing Construction Supervisors provide additional property assessments to help SDHC prioritize the most urgent capital needs.

Given limited property and external rehabilitation funding sources it is incumbent upon those engaged in the budgeting process to consider effective strategies to address the most urgent physical needs of SDHC's 155 properties, understanding that difficult choices will be required. *Portfolio Management Proposed Fiscal Year 2017 Capital Expenditures* is presented in the context of limited funds and great capital expenditure needs. With access in this fiscal year to Moving to Work funds, in tandem with property and lender replacement reserves, the strategy is to conduct critical needs rehabilitation on a multiple portfolio basis while also focusing on a couple of more urgent properties.

Even with significant Moving to Work funding proposed for FY 2017, leveraged with property and lender required replacement reserves, capital improvement funds are available to address only a portion of the SDHC portfolio in this fiscal year. As the Portfolio Management Department plans for rehabilitation projects in FY 2017, the capital improvement plans for FY 2018 are also considered in order to ensure sufficient property replacement reserves are accrued and allocated. In this regard, responding to the capital improvement needs of SDHC's portfolio is a multiyear strategic endeavor as we plan for and execute the effective use of rehabilitation funds.

We look forward to an interactive evaluation of this proposal that will result in improving the lives of SDHC's low and moderate income residents.

Emmanuel Arellano

Emmanuel Arellano
Director, Portfolio Management

Hanan Bowman

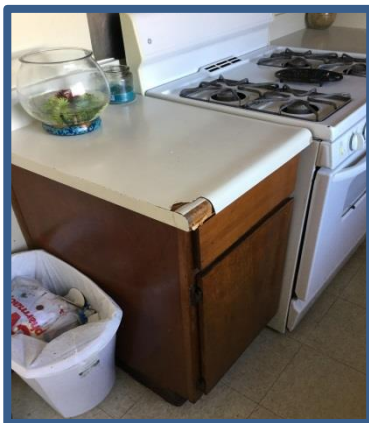
Hanan Bowman
Asset Strategy Manager

SDHC Portfolios: *Background*

With the formation of three FHA and three FNMA LLCs in 2009, the support and maintenance of the properties shifted from HUD Capital Funds to property generated revenues in the form of rental receipts, lender and property replacement reserves, supplemented from time to time by external funding sources. The transition from public housing to SDHC owned assets mandated the need for a corporate paradigm shift in SDHC's identity as an owner and developer of affordable housing. San Diego Housing Commission's acceptance of the responsibility for the safety, health, welfare and quality of life of its residents presumes a corporate infrastructure to monitor and proactively respond to issues impacting the property and asset management of the portfolios. Since 2010 the SDHC has been engaged in defining and refining its organizational structures needed for effective affordable housing development and ownership.

The difficulty but also the urgency of the ongoing maintenance and capital needs of SDHC's 155 properties are heightened by the aging of its housing stock. The average age of SDHC's portfolio is 39 years (not including the Hotel Churchill / 1915). Additionally, approximately sixty-five percent (65%) of the portfolio are scattered site multifamily properties with fewer than ten (10) apartments, further exacerbating property management challenges.

The impact of aging is reflected in the stressed physical condition of the portfolios' quality of life items. Original construction components are frequently still in place (e.g., single pane windows,



Chipped Countertop

worn kitchen countertops and cabinets, undersized electrical capacity, inefficient hot water heaters, aging appliances). Building exteriors show a range of failing systems (e.g., building plumbing, exterior stair tread failure, railings not to code). Although the Property Management team ensures health and safety items are addressed,¹ the magnitude and extent of the portfolios' quality of life rehabilitation needs must be recognized as a corporate priority reflecting the SDHC's commitment to the provision of clean, safe and quality housing.



Aging cabinets

We are About People. The SDHC is not a real estate investor looking for good deals that can be flipped for maximum profit. We are in the business of strengthening families. A core component of SDHC's affordable housing mission is customer focused property and asset management. The condition of the apartments is key to quality customer service. Children are comfortable inviting their friends to their homes

¹ Note consistent FHA portfolio REAC scores above 90 that measure health & safety conditions.

to play. Families feel integrated into their neighborhoods. Our residents consider their homes to be a place of pride, a safe haven, an environment that enhances one's self-image.

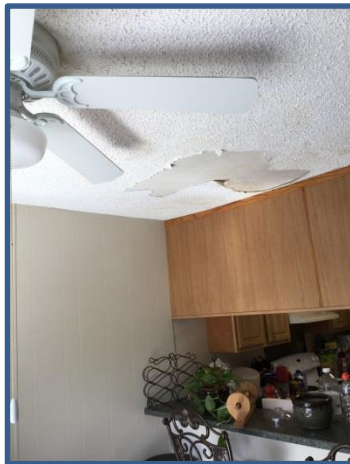
Green Physical Needs Assessment: 2017

In 2015 SDHC completed a physical needs assessment (GPNA) of its entire portfolio. This assessment offers property by property and year by year the estimated costs of needed work over the next twenty years. Since the Transition out of the Public Housing program in 2007, the health, safety and quality of life conditions of SDHC's portfolios are contingent upon the interplay of rental receipts, net operating income, and the level of property or lender required replacement reserves. Given the 20 year GPNA estimated portfolio-wide capital needs of ~\$200MM, the annual proposed capital expenditure budget must reflect a careful prioritization of the best uses of available funding.



Old and damaged range hood

Portfolio Management Department's proposed FY 2017 capital expenditures as identified in the GPNA will be funded from three sources: Moving to Work, local property funds and city



redevelopment dollars. Although Moving to Work funding provides an opportunity to address quality of life needs among multiple portfolios and dozens of properties the cost of needed rehabilitation greatly exceeds funding resources. Within the context of limited funding to address multiple year GPNA issues, the prioritization strategy proposed for this fiscal year is a balance between the critical needs of dozens of properties and more intensive rehabilitation work on selected sites.

Table One presents an overview of the five project areas and the three funding source(s):

- FHA North, Central and South: *Moving to Work*
- Via Las Cumbres / non-PHA apartments: *Moving to Work*
- Single Family Homes: critical needs: *Local Funds*
- Single Family Homes: comprehensive rehabilitation pilot: *Local Funds*
- North Bay and North Park Redevelopment: *City / Redevelopment Bond Funds*

Table One

Moving to Work							
Region	Property Name	# sites Impacted	# units Impacted	Repairs / Number	Estimated Costs	Estimated Project Start	Estimated Project End
FHA North (through 2018)	El Camino Real, Grand, Hornblend, Figueroa, Pulitzer, Muir, Glenhaven [4 sites], Hurlbut [2 sites], Mira Mesa	14	154	doors: 154; windows: 592; cabinets: 308; electrical: 154; mechanical: 154	\$ 938,278	7/1/2016	10/21/2016
FHA Central (through 2018)	See property list detail	22	234	doors: 234; windows: 741; cabinets: 468; electrical: 234; mechanical: 234	\$ 1,547,996	10/24/2016	2/21/2017
FHA South (through 2018) + full rehab: 121 - 125 Averil Road	See property list detail	8	301	FHA south (not Averil)- doors: 301; windows: 1,019; cabinets: 602; electrical: 301; mechanical: 301. Averil- doors: 14; windows: 42; flooring: 14; appliances: 28; counters: 14; cabinets: 28; range hood: 14; property exterior paint; property roof; property railings; repair termite damage	\$ 4,277,917	2/23/2017	6/30/2017
Unleveraged (non-PHA)	2052 - 2098 Via Las Cumbres	1	84	doors: 84; windows: 168; flooring: 84; appliances: 168; counters: 84; cabinets: 168; range hood: 84; property exterior paint; property roof; property railings; repair termite damage	\$ 5,235,809	12/1/2016	6/30/2017
Subtotal		45	773		\$ 12,000,000		
Local Funds							
Unleveraged	2052 - 2098 Via Las Cumbres			Total MTW Unleveraged / non-PHA (Via Las Cumbres): \$5,449,369. Local funds to fill gap.	\$ 213,560	N/A	N/A
Single Family Home / critical needs	See property list detail	36	36	water heaters: 36; electrical upgrades: 36, lead & asbestos: 36, roof: 36; termite mitigation: 36	\$ 485,640	7/1/2016	6/30/2017
Single Family Home / full rehab	4256 Layla Way, 1255 Kostner, 4339 Marcia Court	3	3	doors: 3; windows: 15; flooring: 3; appliances: 9; counters: 3; cabinets: 6; range hood: 3; property exterior paint: 3; property roof: 3	\$ 259,371	1/2/2017	6/30/2017
Subtotal		39	39		\$ 958,571		
North Bay Redevelopment / Bond							
North Bay Redevelopment / Bond	4890 Naples & 2701-2711 Figueroa	2	10	building exterior: 2; windows: 29; property roof: 2; termite mitigation: 2; landscaping two properties	\$ 313,000	7/1/2016	11/30/2016
North Park Redevelopment / Bond	4080 Arizona	1	4	building exterior; roof; water heater; windows: 16; landscaping	\$ 145,000	7/1/2016	11/30/2016
Subtotal		3	14		\$ 458,000		
		87	826	SUBTOTAL HARD COST \$13,416,571			
Administration					\$ 500,000		
Hard Cost Contingency					\$ 1,811,237		
Soft Cost Contingency					\$ 670,829		
				TOTAL PROJECT COST \$16,398,637			
Moving to Work							
Local Funds							
North Bay Redevelopment							

Moving to Work

Access to Moving to Work funds (*proposal*: \$12,000,000) in FY 2017 offers a significant opportunity to conduct capital needs rehabilitation at dozens of sites while also focusing on a specific property that requires more intensive rehabilitation.

FHA Portfolios (\$6,764,191 / including Averil Road [*below*])

Moving to Work funds will support the repair and replacement of critical needs at all properties among the three FHA LLCs, a total of 45 properties and 773 apartments. “Critical needs” are defined as the replacement of doors, windows, cabinets & countertop and upgrades to the electrical systems to 100 amps and HVAC repairs as needed. Residents of these properties will live in apartments that enhance the families’ sense of pride in their homes which in turn will spur a self-identity that forges a motivation to reach the families’ highest potential.



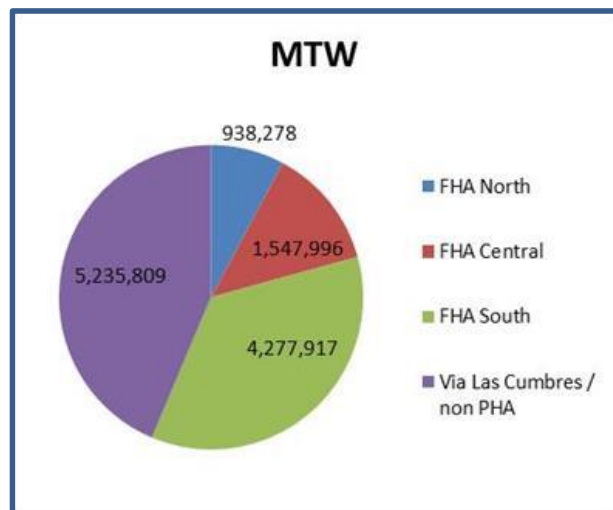
Corroded water line at Averil Rd

121 – 125 Averil Road [FHA South] (\$1,043,046 / included in the FHA portfolio amount listed above)

The Housing Construction Supervisor’s inspection and knowledge of this property in the FHA South portfolio supports a more intensive rehabilitation scope of work. Given the proposed scope and the likely use of a general contractor with multiple subcontractors, the Development Services Department may be better positioned to implement this contract.

2052 – 2098 Via Las Cumbres [non-PHA] (\$5,235,809)

During FY 2016 (construction contract signed by May 2016), the Development Services Department will pursue the comprehensive rehabilitation of the thirty-six (36) public housing apartments at Via Las Cumbres. The residents of the 84 non-PHA apartments of this property will legitimately expect to receive a corresponding level of rehabilitation. Moving to Work funds will allow the rehabilitation of these 84 apartments to be scheduled in FY 2017. The total estimate for the 84 unit rehabilitation is \$5,449,369. Local funds (\$213,560) will be added to supplement Moving to Work dollars. The result will be one hundred and twenty PHA and non-PHA Via Las Cumbres apartments will be rehabilitated to serve our residents for many decades to come.

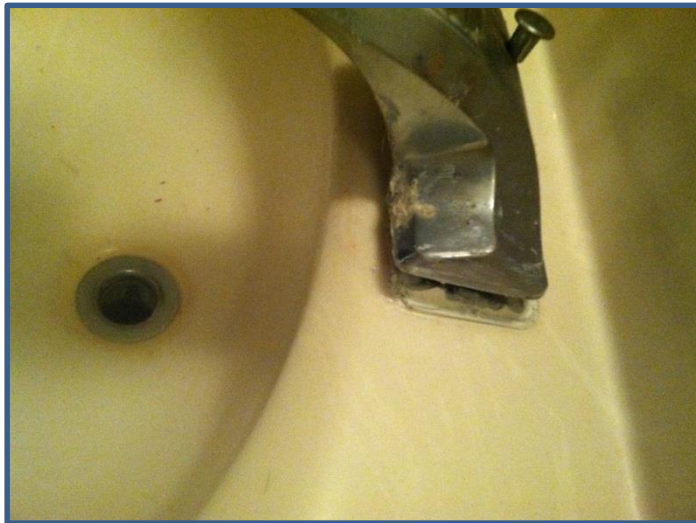


Local Funds

“Local funds” are understood to include surplus rental receipts, property and lender reserves. Proper budget planning includes a critical analysis of the most efficient and cost effective strategies to allocate spending throughout the proposed projects. Since the three FHA LLC lenders reserve accounts have not been accessed since the formation of these LLCs, sufficient lender reserve balances have accrued to contribute to the project sources for those elements of the scopes of work that are legitimate replacement reserve eligible items.

Single Family Homes: Critical Needs (\$485,640)

San Diego Housing Commission’s thirty-nine (39) single family homes were constructed from 1970 to 1975 (one built in 1941). Although the SDHC Property Management team ensures the homes continually meet health and safety housing quality standards, the homes’ quality of life elements require rehabilitation upgrades. Twenty-two of the families have lived in their homes



Corroded sink faucet

for at least five years, five families for over twenty years. Original single pane windows, kitchen cabinets and countertops, and flooring are still in place. Many of the roofs and hot water heaters have reached the end of functional service. The homes’ electrical system should be upgraded to 100 amp service. Termite damage, even if an inactive infestation, requires mitigation and repair. Given the homes’ construction dates, the presence of lead paint and asbestos are also likely.

The Green Physical Needs Assessment (GPNA) estimates \$2,081,411 in Single Family Home capital improvements over the next five years. By 2035, the GPNA calls for capital improvements of \$4,521,248. While these numbers are estimates only, the figures highlight the extent of needed work. Until SDHC determines the homes’ long range disposition strategy², addressing critical needs in FY 2017 will stabilize the properties until a disposition plan is determined and implemented.

The rehabilitation work to address critical needs of all 39 homes will include roofing, hot water heaters, electrical upgrades, lead and asbestos remediation and termite damage repair. Per the GPNA the anticipated estimate for this work will be \$526,110 (\$13,490 / home).

² *Scattered Site Housing Disposition Study*, Barry Getzel, August 2015 outlines various disposition options.

Single Family Homes: Pilot Projects / Comprehensive Rehabilitation (\$259,371)

The Single Family Homes' long range disposition strategy will be informed by an understanding of the costs and physical requirements likely to be encountered should comprehensive rehabilitation of the 39 homes be incorporated into this disposition strategic planning. As such, the FY 2017 budget proposes the comprehensive rehabilitation of three pilot properties. Since the 39 homes have similar floor plans (adjusted for bedroom count), the comprehensive rehabilitation of three homes will add to our understanding of the scope of work if / when the decision is made to continue with comprehensive rehabilitation of the remaining 36 homes. The comprehensive rehabilitation of three homes is estimated at \$259,371 (\$86,457 / home), including the replacement of countertops, cabinets, appliances, flooring, windows, doors, roofing, hot water heater, lead and asbestos remediation, electrical upgrades, termite damage repair, and interior and exterior painting. The criteria for the selection of these pilot homes include (a) the length of current residency, (b) geographic proximity of the three homes to increase construction efficiencies and (c) families holding Housing Choice Vouchers. Item (c) is significant should the disposition strategy include the sale of home(s) to the current residents using the Housing Choice Voucher program.



**Moisture on ceiling
from water leak**

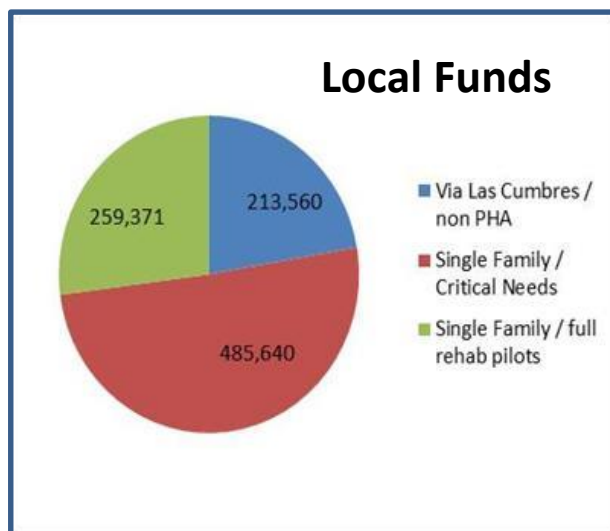


Table Two lists the 39 homes and indicates the proposed homes for the pilot projects (Layla Way, Kostner Drive and Marcia Court).

The total hard cost estimate for both critical needs (39 homes) and the three pilot projects is \$745,011. Added to this hard cost estimate will be administrative expenses for project management plus hard and soft cost contingencies, estimated at an additional \$235,000 included in the overall project contingency lines (cf. Table Three / page 9).

Table Two

Address	District	Bdrms	Yr Blt	HCV	M/I Date
1366 Ilexey Avenue	8	5	1970	Y	7/23/2014
1170 Ilexey Avenue	8	3	1970	N	11/2/2009
4259 Layla Court	8	4	1970	Y	6/16/2011
4256 Layla Way	8	4	1970	Y	4/30/1984
4269 Layla Way	8	4	1970	Y	3/30/2002
4274 Layla Court	8	4	1970	Y	2/18/1999
4276 Layla Court	8	4	1970	Y	8/29/2014
4074 Marcwade Drive	8	4	1970	Y	2/4/2005
4150 Marcwade Drive	8	3	1970	Y	10/3/2011
4186 Marcwade Drive	8	3	1970	N	6/6/2014
4293 Marcwade Drive	8	4	1970	Y	11/30/2000
4239 Marge Way	8	4	1971	Y	4/5/2012
4331 Marge Way	8	4	1970	Y	5/16/1984
4334 Marge Way	8	5	1970	Y	6/2/2011
4034 Peterlynn Court	8	4	1970	Y	4/1/1980
1232 Peterlynn Drive	8	3	1970	Y	1/26/2007
1327 Peterlynn Drive	8	4	1970	Y	1/19/2006
1405 Peterlynn Drive	8	4	1970	Y	7/11/2001
1506 Peterlynn Drive	8	5	1970	N	VACANT
1530 Peterlynn Drive	8	5	1970	N	12/13/2009
4024 Peterlynn Way	8	5	1970	Y	5/9/2005
1128 Ransom Street	8	4	1970	Y	7/11/2011
1145 Ramson Street	8	5	1970	Y	11/16/1999
1169 Ransom Street	8	4	1970	Y	5/30/2013
1041 Twining Avenue	8	3	1970	N	6/1/2014
1144 Twining Avenue	8	5	1970	Y	7/30/2014
1250 Twining Avenue	8	5	1970	Y	1/31/2002
1317 Twining Avenue	8	4	1970	Y	2/13/2015
4123 Arey Drive	8	3	1970	Y	4/26/2012
4314 Darwin Way	8	4	1970	Y	6/20/2014
4334 Ebersole Drive	8	5	1970	Y	10/20/2003
4181 Enero Street	8	4	1970	N	10/12/2009
4230 Kimsue Way	8	5	1970	Y	8/19/2011
1255 Kostner Drive	8	3	1970	Y	8/30/1985
4339 Marcia Court	8	5	1970	Y	8/7/1991
1152 Nevin Street	8	4	1970	Y	4/1/1987
8505 Noeline Avenue	8	4	1975	N	2/1/2013
5974 Old Memory Lane	8	4	1941	Y	12/21/2006
4233 Stu Court	8	5	1970	Y	9/10/2004

North Bay & North Park Redevelopment Area: Bond Funds

Funds from the City of San Diego Redevelopment are expected to become available to address rehabilitation needs for three properties, two in the North Bay region and one in North Park:

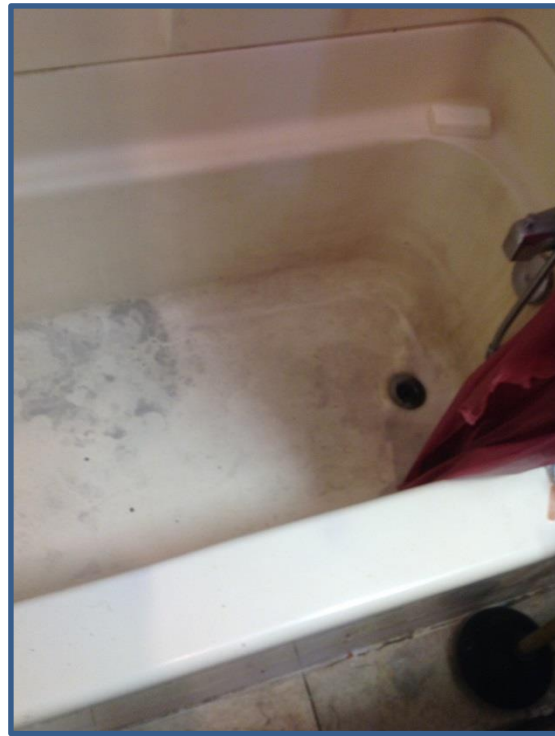
North Bay (\$313,000)

- 4890 Naples Street (4 apartments)
- 2701 – 2711 Figueroa Boulevard (6 apts.)

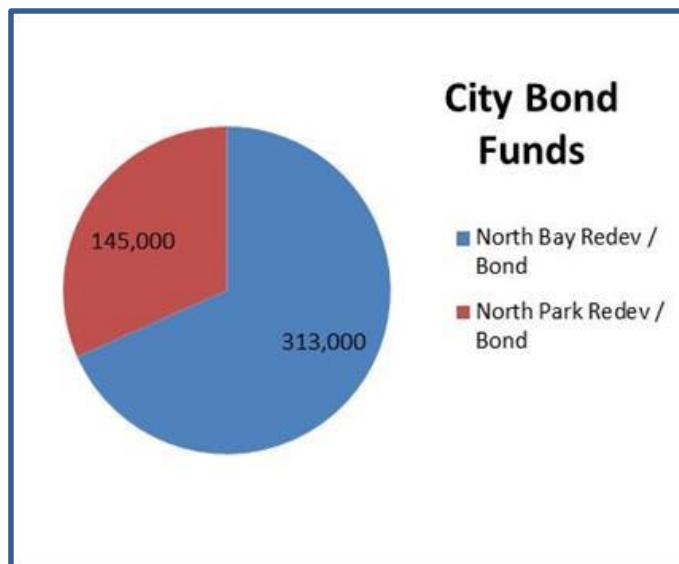
North Park (\$145,000)

- 4080 Arizona Street (4 apartments)

Naples Street is slated to receive major rehabilitation including work on the building's exterior, new roof and window replacements, new cabinets & countertops, new appliances, hot water heater, termite mitigation and landscaping.



Damaged bathtub and tub surround



Figueroa Boulevard will receive work on the building's exterior, roof and window replacements.³

Arizona Street will receive work on the building's exterior, roof, window and hot water tank replacements, and landscaping upgrades.

The timing and amount of confirmed funding from the City of San Diego will determine the final scope of work and project scheduling.

³ It is recognized that the Figueroa Boulevard property is also proposed to receive rehabilitation work as a component of the FHA North LLC. The only overlap between the FHA LLC scope and the Redevelopment Bond Funds scope are window replacements. The specifics of the FHA North LLC scope referenced in Table One reflect the North Bay Redevelopment window replacement work at 2701 – 2711 Figueroa Boulevard.

Administration and Contingencies

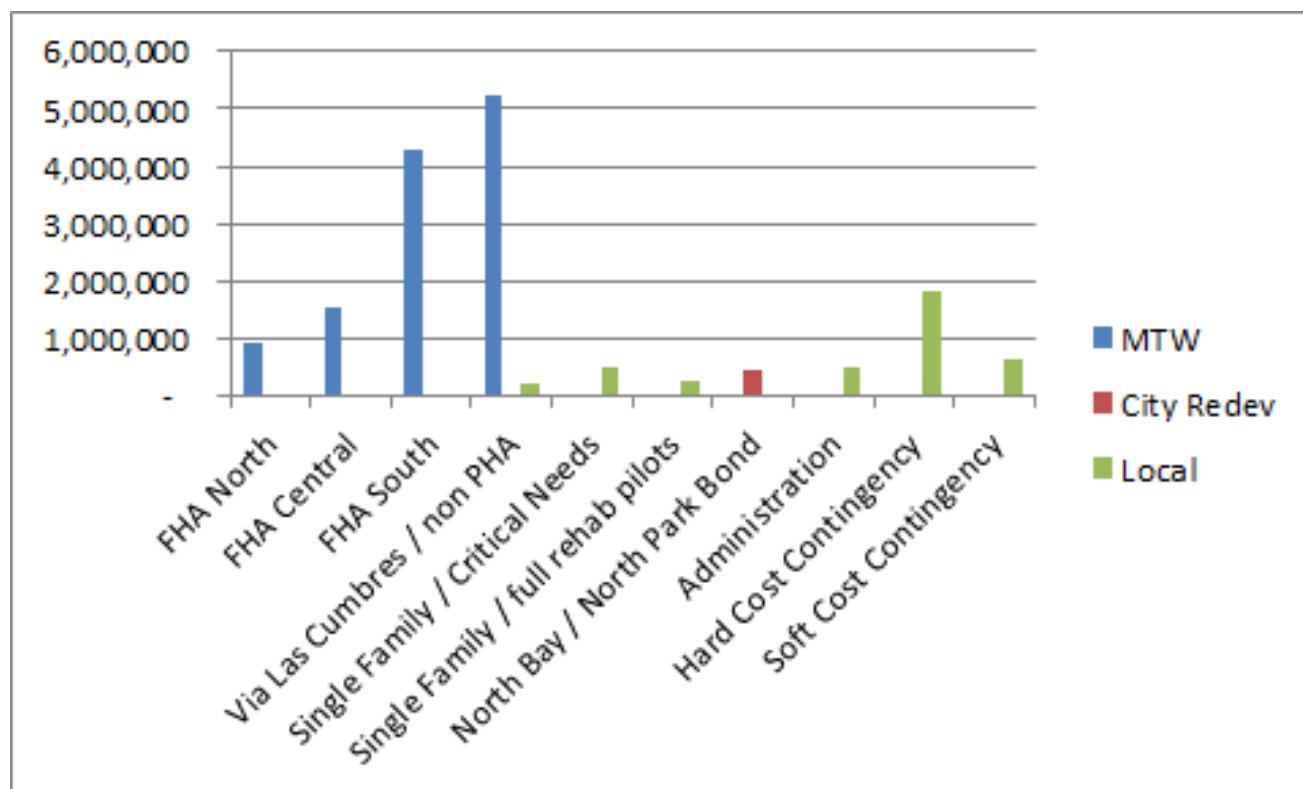
The proposed FY 2017 budget includes line items for administrative costs (e.g., project management) and hard & soft contingencies. Until each scope of work contract is finalized, the budget numbers are estimates only, derived from the GPNA. Housing rehabilitation reveals many unknown elements during the course of the work. A hard cost contingency of twenty percent (20%) is suggested. A ten percent (10%) soft cost contingency is also proposed to cover such items as relocation and permits & fees.

Sources: Budget Summary

Table Three is a synopsis of the proposed FY 2017 Portfolio Management Department project budgets. Of course, the rehabilitation of SDHC's full portfolio is a multiyear endeavor. Although the total proposed FY 2017 capital needs budget (including administration and contingencies) is recognized to be larger in this fiscal year than is likely in future years due to the availability of Moving to Work dollars, each year the Portfolio Management Department in partnership with Property Management and the supporting departments (e.g., Procurement, Wage Compliance and Fiscal Management) will focus on the most strategic approach to the use of property funds and when possible, non-property generated resources (e.g., refinancing, equity infusion [LIHTC], property sales, etc.). Each year's rehabilitation budgeting will represent a component of the longer range multiyear analysis of the most effective strategies to fund needed capital expenditures.

Table Three

Project Cost Centers	MTW	City Redev	Local	Total	Per unit	Notes
FHA North	938,278	-	-	938,278	6,093	
FHA Central	1,547,996	-	-	1,547,996	6,615	
FHA South	4,277,917	-	-	4,277,917	14,212	
Via Las Cumbres / non PHA	5,235,809	-	213,560	5,449,369	64,873	Local funds needed to supplement MTW to complete financing estimate
Single Family / Critical Needs	-	-	485,640	485,640	13,490	
Single Family / full rehab pilots	-	-	259,371	259,371	86,457	
North Bay / North Park Bond	-	458,000	-	458,000	32,714	Estimate of scope of work
			-	-		Estimate of scope of work
Subtotal Hard Costs	\$ 12,000,000	\$ 458,000	\$ 958,571	\$ 13,416,571		
Administration	-	-	500,000	500,000		
Hard Cost Contingency	-	-	1,811,237	1,811,237		13.5% of hard costs
Soft Cost Contingency	-	-	670,829	670,829		5% of soft costs (including relocation, permits, etc.)
Subtotal Soft Costs	\$ -	\$ -	\$ 2,982,066	\$ 2,982,066		
Total	\$ 12,000,000	\$ 458,000	\$ 3,940,637	\$ 16,398,637		



2016 – 2017 Budget Estimates, GPNA Totals & FY 2017 Impact

Table Four shows the percentages of FY 2017 estimated costs in comparison to the GPNA's five and twenty year estimates. One notes the significant impact the proposed FY 2017 capital needs / rehabilitation expenditures will contribute to the properties' long range fiscal and asset strategic planning. More particularly, the allocation of the proposed MTW, local funds and city redevelopment dollars will directly impact the lives of 826 families residing in SDHC apartments and homes. As a result of these proposed FY 2017 capital expenditures, over 2,000 low and moderate income San Diego residents will live in safe, well-constructed and more energy efficient homes. This truly will be a tangible and highly impactful representation of San Diego Housing Commission's *We're About People*.

Table Four (FHA & Via Las Cumbres) **

Region	District #	Number of Units	Year Built	GPNA Needs (Yrs 1-5)	GPNA Needs (20 Yrs)	FY17 Budget	% FY17 to 5 Yr Need	% FY 17 to Total Need
FHA North								
12643-12687 El Camino Real	1	45	1995	1,083,253	3,332,863	294,660	27.20%	8.84%
2045-2049 Grand Avenue	2	6	1990	118,158	620,484	68,544	58.01%	11.05%
2644 Hornblend Street	2	5	1989	367,443	645,217	65,822	17.91%	10.20%
2701-2711 Figueroa Blvd	2	6	1966	137,628	444,538	2,811	2.04%	0.63%
4055-4083 Pulitzer	1	50	1985	1,646,617	4,206,085	315,980	19.19%	7.51%
5071-5077 1/2 Muir Ave	2	8	1960	396,803	775,908	28,000	7.06%	3.61%
8637-8643 Glenhaven Street	7	4	1971	253,300	589,653	21,826	8.62%	3.70%
8649-8655 Glenhaven Street	7	4	1962	246,427	579,606	21,826	8.86%	3.77%
8661-8667 Glenhaven Street	7	4	1962	241,834	603,522	21,696	8.97%	3.59%
8701-8707 Glenhaven Street	7	4	1962	239,211	601,378	21,826	9.12%	3.63%
8714-8720 Hurlbut Street	7	4	1962	83,290	482,572	12,520	15.03%	2.59%
8726-8732 Hurlbut Street	7	4	1971	125,859	458,082	21,675	17.22%	4.73%
8792 Mira Mesa Blvd	6	5	1978	113,691	358,770	21,901	19.26%	6.10%
8816 Mira Mesa Blvd	6	5	1978	127,386	411,069	19,191	15.07%	4.67%
Total		154		\$ 5,180,900	\$ 14,109,747	\$ 938,278		
FHA Central								
2628-2630 44th Street	9	8	1983	299,335	840,831	150,808	50.38%	17.94%
2883 Boston Avenue	8	5	1993	6,923	414,239	3,023	43.67%	0.73%
2955 Boston Avenue	8	5	1993	28,340	476,053	1,950	6.88%	0.41%
3051 54th Street	4	7	1989	253,968	659,055	31,390	12.36%	4.76%
4147-4157 Chamoune Avenue	9	6	1983	164,444	825,701	70,551	42.90%	8.54%
4164 Altadena Avenue	9	6	1961	90,135	446,267	10,759	11.94%	2.41%
4180-4182 Poplar Street	9	9	1985	127,950	766,449	49,599	38.76%	6.47%
4205-4215 Juniper Street	9	20	1982	207,751	1,402,539	43,966	21.16%	3.13%
4225 44th Street	9	6	1990	126,363	671,997	51,528	40.78%	7.67%
4261 45th Street	9	6	1989	128,293	522,997	10,680	8.32%	2.04%
4273-4283 Juniper Street	9	24	1982	683,636	2,310,373	406,283	59.43%	17.59%
4390 Maple Street	9	6	1983	32,998	721,032	13,084	39.65%	1.81%
4416 Highland Avenue	9	8	1980	351,304	684,160	52,892	15.06%	7.73%
4451-4459 Market Street	4	20	1989	480,632	1,692,046	232,135	48.30%	13.72%
4479-4481 Altadena Avenue	9	8	1989	311,590	625,813	77,103	24.75%	12.32%
4560 Altadena Avenue	9	8	1960	6,923	559,453	80,696	1165.62%	14.42%
4566 51st Street	9	5	1988	220,873	471,973	36,075	16.33%	7.64%
5316 Meade Avenue	9	30	1981	730,283	1,714,768	159,605	21.86%	9.31%
5326-5328 Rex Avenue	9	4	1984	121,133	538,686	12,135	10.02%	2.25%
5330-5332 1/2 Rex Avenue	9	4	1967	91,491	453,557	7,054	7.71%	1.56%
5359-5389 Santa Margarita St	4	32	1983	522,945	2,899,945	45,380	8.68%	1.56%
7281-7289 Saranac Street	9	7	1996	192,676	469,765	1,300	0.67%	0.28%
Total		234		\$ 5,179,986	\$ 20,167,699	\$ 1,547,996		
FHA South								
121-125 Averil Road	8	14	1993	516,591	1,267,767	1,043,046	201.91%	82.27%
1351-1359 Hollister Street	8	20	1983	600,666	1,601,345	372,507	62.02%	23.26%
178-190 Calle Primera	8	71	1984	2,796,421	5,681,336	290,027	10.37%	5.10%
2005-2065 Alaquinas Drive	8	66	1983	1,674,099	4,593,714	943,050	56.33%	20.53%
2381-2389 Grove Avenue	8	41	1985	1,299,630	2,987,263	222,773	17.14%	7.46%
281-289 Sycamore Rd (North)	8	24	1985	750,193	2,110,255	89,005	11.86%	4.22%
391-417 Sycamore Rd (West)	8	41	1985	778,988	2,107,343	205,503	26.38%	9.75%
402-412 Sycamore Rd (East)	8	24	1985	2,071,135	3,695,999	1,112,006	53.69%	30.09%
Total		301		\$ 10,487,723	\$ 24,045,022	\$ 4,277,917		
Unleveraged								
2052 - 2098 Via Las Cumbres	7	84	1984	5,449,369	6,342,676	5,449,369	100.00%	85.92%
Total		84		\$ 5,449,369	\$ 6,342,676	\$ 5,449,369		

** "% FY 17 to 5 Yr Need" in excess of 100% results from 2017 budget exceeding the GPNA's suggested 5 yr work.

Table Four (Single Family Homes & North Bay / North Park) **

Region	District #	Number of Units	Year Built	GPNA Needs (Yrs 1-5)	GPNA Needs (20 Yrs)	FY17 Budget	% FY17 to 5 Yr Need	% FY 17 to Total Need
Single Family / Critical Needs		Bdrms						
1041 Twining Avenue	8	3	1970	16,893	114,231	13,490	79.86%	11.81%
1128 Ransom Street	8	4	1970	92,500	187,299	13,490	14.58%	7.20%
1144 Twining Avenue	8	5	1970	36,882	138,210	13,490	36.58%	9.76%
1145 Ramson Street	8	5	1970	33,714	153,467	13,490	40.01%	8.79%
1152 Nevin Street	8	4	1970	8,306	141,535	13,490	162.41%	9.53%
1169 Ransom Street	8	4	1970	22,446	130,925	13,490	60.10%	10.30%
1170 Illexey Avenue	8	3	1970	15,594	103,746	13,490	86.51%	13.00%
1232 Peterlynn Drive	8	3	1970	24,049	123,700	13,490	56.09%	10.91%
1250 Twining Avenue	8	5	1970	34,266	138,212	13,490	39.37%	9.76%
1317 Twining Avenue	8	4	1970	34,477	126,446	13,490	39.13%	10.67%
1327 Peterlynn Drive	8	4	1970	25,762	109,089	13,490	52.36%	12.37%
1366 Illexey Avenue	8	5	1970	26,924	114,883	13,490	50.10%	11.74%
1405 Peterlynn Drive	8	4	1970	27,147	128,843	13,490	49.69%	10.47%
1506 Peterlynn Drive	8	5	1970	45,480	150,012	13,490	29.66%	8.99%
1530 Peterlynn Drive	8	5	1970	37,076	147,203	13,490	36.38%	9.16%
4024 Peterlynn Way	8	5	1970	25,502	155,224	13,490	52.90%	8.69%
4034 Peterlynn Court	8	4	1970	13,952	122,449	13,490	96.69%	11.02%
4074 Marcwade Drive	8	4	1970	22,628	131,119	13,490	59.62%	10.29%
4123 Arey Drive	8	3	1970	17,118	118,162	13,490	78.81%	11.42%
4150 Marcwade Drive	8	3	1970	14,581	128,116	13,490	92.52%	10.53%
4181 Ereno Street	8	4	1970	20,698	91,415	13,490	65.18%	14.76%
4186 Marcwade Drive	8	3	1970	7,008	102,922	13,490	192.49%	13.11%
4230 Kinsue Way	8	5	1970	16,616	120,939	13,490	81.19%	11.15%
4233 Stu Court	8	5	1970	39,346	140,179	13,490	34.29%	9.62%
4239 Marge Way	8	4	1971	1,495	114,864	13,490	902.34%	11.74%
4259 Layla Court	8	4	1970	17,927	125,321	13,490	75.25%	10.76%
4269 Layla Way	8	4	1970	16,061	138,285	13,490	83.99%	9.76%
4274 Layla Court	8	4	1970	24,054	142,972	13,490	56.08%	9.44%
4276 Layla Court	8	4	1970	18,702	107,761	13,490	72.13%	12.52%
4293 Marcwade Drive	8	4	1970	28,745	127,317	13,490	46.93%	10.60%
4314 Darwin Way	8	4	1970	45,013	144,424	13,490	29.97%	9.34%
4331 Marge Way	8	4	1970	16,810	132,947	13,490	80.25%	10.15%
4334 Ebersole Drive	8	5	1970	29,752	113,997	13,490	45.34%	11.83%
4334 Marge Way	8	5	1970	12,285	143,855	13,490	109.81%	9.38%
5974 Old Memory Lane	8	4	1941	1,806	133,206	13,490	746.95%	10.13%
8505 Noeline Avenue	8	4	1975	2,117	144,597	13,490	637.22%	9.33%
Total		149		\$ 873,732	\$ 4,687,872	\$ 485,640		
Single Family Homes / Pilot		Bdrms						
1255 Kostner Drive	8	3	1970	20,099	105,783	86,457	430.16%	81.73%
4256 Layla Way	8	4	1970	35,150	136,836	86,457	245.97%	63.18%
4339 Marcia Court	8	5	1970	80,965	194,660	86,457	106.78%	44.41%
Total		12		136,214	437,279	259,371		
North Bay / North Park Redevelopment								
4890 Naples (North Bay)	2	4	1982	181,246	638,696	156,500	86.35%	24.50%
2701-2711 Figuero (North Bay)	2	6	1966	137,628	444,538	156,500	113.71%	35.21%
4080 Arizona (North Park)	3	4	1987	167,234	402,250	145,000	86.70%	36.05%
Total		14		\$ 486,108	\$ 1,485,484	\$ 458,000		

** "% FY 17 to 5 Yr Need" in excess of 100% results from 2017 budget exceeding the GPNA's suggested 5 yr work.

Funding Contingencies

Although the GPNA estimates are considered to be conservative, at this point we must consider the prioritization of funding contingencies should estimates require additional dollars.

Unexpected construction issues typically emerge during rehabilitation. The budget can be confirmed only when the procurement process reaches the contract stage. If the FY 2017 sources (e.g., Moving to Work) are less than proposed, property replacement reserves may serve as gap funding. Lender reserves for the three FHA LLCs have not been accessed since 2010 and thus have accrued over the past six years a viable source for those expenses considered to be legitimate replacement reserve eligible items.

Property and Lender Replacement Reserve Balances

The following **Table Five** shows the current property and lender reserve balances by FHA portfolio and reserves at the non-PHA apartments at Via Las Cumbres (VLC) as of 12-31-2016. If MTW funds are less than proposed, these reserve funds would be available as gap funding.

Table Five

	Units	Min RR Bal	Monthly Deposit	Reserves 12/31/2015	Delta Min / Current
FHA North	154	\$ 154,000	\$ 4,492	\$ 1,216,413	\$ 1,062,413
FHA Central	234	\$ 234,000	\$ 5,850	\$ 1,796,679	\$ 1,562,679
FHA South	301	\$ 301,000	\$ 7,500	\$ 1,515,535	\$ 1,214,535
VLC / affordable	84	\$ 84,000	\$ 7,000	\$ 211,400	\$ 127,400
		\$ 773,000	\$ 24,842	\$ 4,740,027	\$ 3,967,027

FY 2017 Project Schedules

Table Six is a summary of the schedules for the five project areas [FHA, VLC, SFH/critical needs, SFH pilot, North Bay/North Park] (cf. Table One for detailed listings of proposed start and end dates):

Budget Scope of Work Schedule	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Project												
FHA North			Preservation Team									
FHA Central			Preservation Team									
FHA South				Preservation Team & Development Svcs [Averil]								
Unleveraged / VLC (non-PHA)										Development Services		
Single Family / critical needs				Preservation								
Single Family / full rehab				Preservation								
North Bay Redevelopment										Preservation		
North Park Redevelopment										Preservation		

Table Seven summarizes the schedule for IFB/JOC contract preparation to ensure work may begin in July 2016.

Preparation / Bid Schedule	Jan	Feb	Mar	Apr	May	June
Department notifications						
Review specifications						
Group properties						
Asbestos testing						
Write draft scope						
Solicitation - IFB						
Solicitation - JOC						
Prepare for board report						
Create PO						

Impact to Supporting Departments

The proposed scopes of work will involve the procurement of multiple contracts, some using Job Order Contract (JOC), and others a formal bid process. To manage successfully multiple simultaneous projects and to prepare the procurement for each contract will require much appreciated assistance from other SDHC departments:

- Property Management
- Prevailing Wage
- Procurement
- Fiscal

The use of Moving to Work funds will likely require additional property management compliance responsibilities. Specifically, although not entirely certain at this point, properties receiving MTW rehabilitation funds may be required to conduct annual household gross income recertifications. Self-certifications may be allowed rather than the more formal third party income verification. Further clarification of MTW regulations will be needed to understand the full impact of these funds on property management and the procurement process.⁴

⁴ Cf. *Amended and Restated Moving to Work Agreement*, January 14, 2009. Attachment C, Section C. 4: "...the Agency is expressly authorized to adopt a local system of income verification in lieu of the current HUD system."

Table six shows seven distinct procured bids, either JOC or competitive bids:

- FHA North
- FHA Central
- FHA South
- VLC
- Single Family / critical needs
- Single Family / Pilot projects
- North Bay & North Park Redevelopment

Portfolio Management will work closely with the Procurement Department to determine if this is the best separation of the work and the most efficient process to implement these separate contracts.

Portfolio Management Department will ensure that timely and detailed notice is given to ensure that supporting departments are aware of and can plan for the work needed to implement these projects successfully. Project planning will be adjusted if it is determined that the timing or scope of the work is not within organizational capacity. The appropriate procurement method for each project will need to be determined. A significant concern for this level of project planning is the time and staffing requirements to ensure the proper implementation of each project. Portfolio Management will convene the appropriate meetings to understand concerns and possible limitations that will further refine the scopes of work.

Fiscal Year 2017 – 2018

The strategic planning for the ongoing rehabilitation of SDHC's portfolio is informed by the GPNA's twenty year estimates. The extensive rehabilitation work proposed for fiscal Year 2017 will impact hundreds of properties and thousands of San Diego residents. However the FY 2017 capital expenditure budget is of necessity limited to selected properties. The capital needs of the 34 FNMA properties are no less urgent than those of the FHA LLCs, at least for FNMA North and Central. The physical condition of Belden's 234 apartments is likely less of a concern than the 33 properties of the other two FNMA regions although as noted below, Belden as a senior property requires ADA compliance improvements.

Addressing the rehabilitation capital improvement needs of SDHC's portfolio is a multiyear process requiring a strategic view to the use and accrual of limited property and external resources. Using the GPNA estimates as a guide, a broader, perhaps five year, rehabilitation plan will be formulated in calendar year 2016. This multiyear strategic planning overview will aid each annual budgeting process to establish the fiscal context for a given year's budget.

FNMA Central and South (\$7,828,344)

Using the year to year estimates of the GPNA, this budget amount will allow the rehabilitation of the 33 properties (323 apartments) of FNMA North and Central, addressing capital expenditures through the GPNA's listing of identified needs through year 2020. The scope of work will include roofing, windows, cabinets & countertops, appliances, range hoods, hot water tanks, termite remediation, building plumbing and HVAC issues, and landscaping.

7705 – 7795 Belden Street (\$703,357)

As a property serving seniors exclusively there is a significant need for ADA compliance improvements at the Belden Street property.

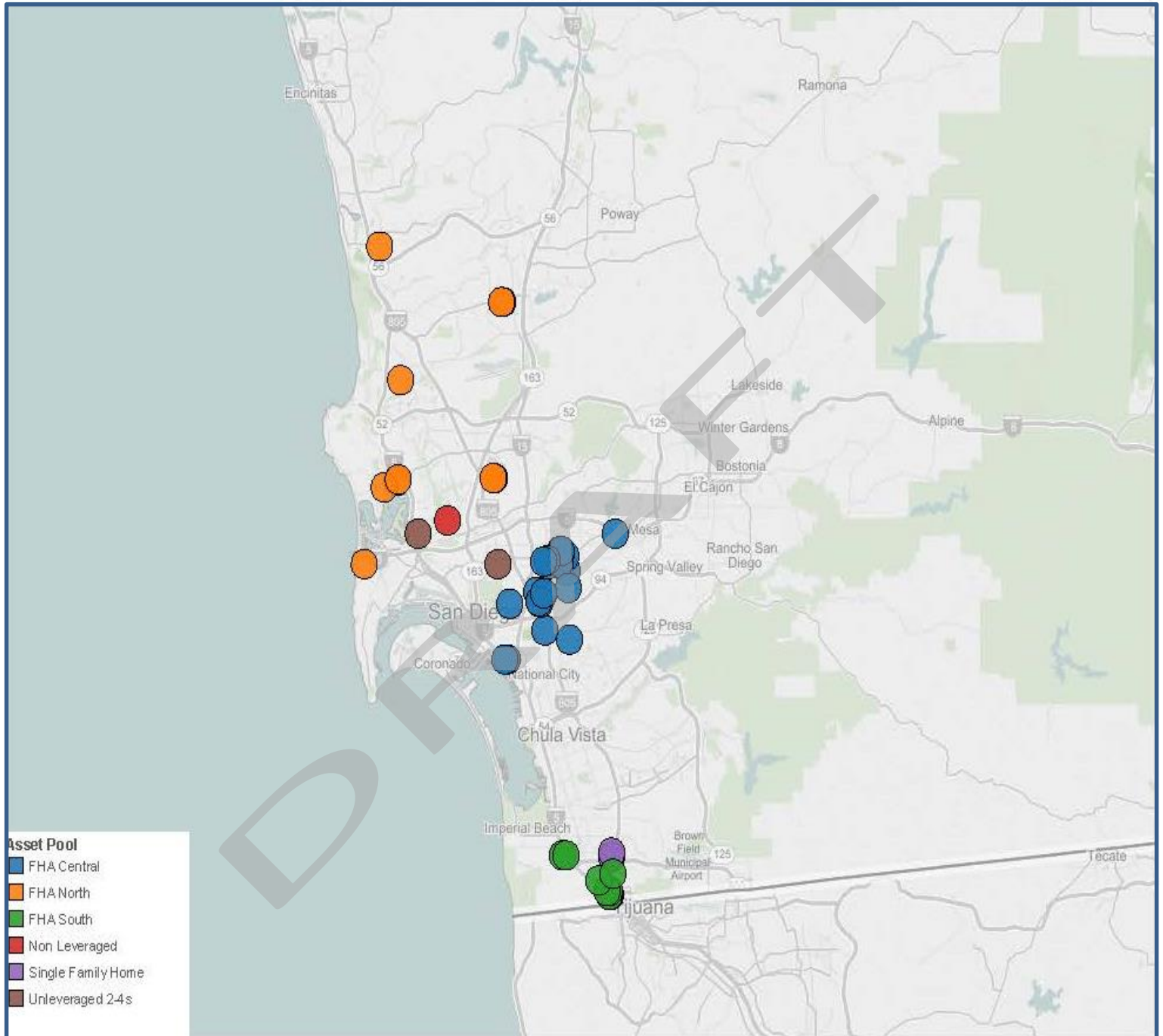
Budget Source: Property Reserves

The expected budget sources in FY 2018 are presumed to be property funds, primarily surplus rental revenue and property and lender replacement reserves. As such during FY 2017 asset management must ensure that excess rental receipts are being channeled into the property replacement reserve accounts at a level to achieve the funds needed for the FY 2018 FNMA projects. At an estimated FY 2018 budget of \$11.5 MM, the average reserve amount per unit would be \$3,560/year, assuming ~\$3.0 MM remains in property reserves after the FY17 capital projects.

Table Seven
Estimates for FY 2018

FY 2017 - 2018	
FNMA North & Central	7,828,344
Belden Street	703,357
Subtotal	\$ 8,531,701
Administration	500,000
Hard Cost Contingency	1,706,340
Soft Cost Contingency	853,170
Total	\$ 11,591,211

Map of Proposed Work by Region



Portfolio Management / Preservation Team

in 2015 SDHC formed an Asset Preservation Team to develop short and longer term strategies to identify prioritized capital needs and corresponding funding streams. The core objective of the Preservation Team is to plan for and implement rehabilitation work as needed throughout SDHC's rental housing properties and commercial spaces.

Preservations Team members:

John Ayala [Housing Construction Supervisor]: Three decades in housing rehabilitation and construction.

- Experienced in Public Agency work as a Housing Rehabilitation Inspector, Housing Construction Specialist, and Housing Construction Supervisor.
- Duties have included overseeing rehabilitation projects, supervise employees, manage capital improvement projects, perform property inspections, provide staff training and provide technical assistance to other departments.
- Experienced in rough framing and finish carpentry on new residential/commercial structures and home remodels.

Steve Dean [Housing Construction Supervisor]: Three decades in housing rehabilitation and construction.

- Redevelopment Agency of Salt Lake City for 7 years in the capacity of a Housing Rehabilitation Specialist.
- SDHC since 6/17/85 in various positions, all dealing with the maintaining of private and public housing units in decent, safe living conditions.

George Hunt [Housing Construction Supervisor]: Over 20+ years working in remodeling and new construction field.

- 5 ½ years with the San Diego Housing Commission ranging from Maintenance Technician, Maintenance Specialist, Quality Assurance Coordinator and Housing Construction Supervisor.
- Duties at the Commission have included the make ready of units, the oversight of maintenance staff and outside contractor performance, Project Manager role for the reconstruction of units after building fires and floods, Construction Manager role for capital improvement projects, perform property inspections, provide staff training and technical assistance to other departments within the Agency.

Tracey Meacock [Senior Program Analyst]: Tracey has supported the Portfolio Management department by providing the team with budget and GPNA analytics to assist the team with project planning and scheduling. Experience and accomplishments prior to joining the preservations team include managing projects for the Property Management department, developing, publishing, and distributing analytical reports, and monitoring budgets.

Emmanuel Arellano [Director, Portfolio Management]: Since 2009, Emmanuel has worked at the San Diego Housing Commission where he assisted with the \$95 million equity refinance of the former Public Housing properties in addition to multiple special projects within the Real Estate department such as the refinance of the Smart Corner office building, the transition of 113 State funded units into the Public Housing Program, the implementation of the Smoke Free policy in Housing Commission properties, and the portfolio wide Green Physical Needs Assessment. Emmanuel has revamped the Housing Commission's Portfolio Management department given the responsibilities resulting from the transition out of the Public Housing program in 2007. Prior to joining the Housing Commission, Emmanuel worked at Bank of America in the Consumer and Retail Services division for eight years. Emmanuel is an MBA graduate from San Diego State University and a USD Alumnus of the Real Estate, Investment and Development program.

Hanan Bowman [Asset Strategy Manager]: Since 1990 Hanan has developed and operated dozens of affordable housing rental properties in Oregon and California using a wide range of public and private funding sources. Hanan was the founding executive director of Umpqua Community Development Corporation (CDC), Roseburg, Oregon, one of the fifty original Rural LISC CDCs. Moving to California in 2002, Hanan served as the deputy executive director of the Yolo County Housing Authority. He then worked for Mercy Housing California as a senior asset manager for five years before moving to San Diego in 2012 to work at City Heights CDC as its Real Estate Director. Hanan was appointed the chair of the Federal Home Loan Bank of Seattle's Affordable Housing Advisory Council. He was a founding member of the Oregon Association of Community Development Organizations and served as its chair. Hanan holds a Ph.D. in Ancient Near Eastern Languages and Literature from U.C. Berkeley and the Graduate Theological Union, Berkeley, CA.