



## REPORT

**DATE ISSUED:** July 21, 2016

**REPORT NO:** HCR16-020

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of July 29, 2016

**SUBJECT:** San Diego Housing Commission Administrative Policy Revisions

**COUNCIL DISTRICT:** Citywide

### **REQUESTED ACTION**

That the San Diego Housing Commission approve the proposed policy revisions and deletions included in Attachment 1 and recommend that the San Diego City Council and Housing Authority approve the proposed revisions and deletions to the major policies in Attachment 2 as required by the San Diego Municipal Code Chapter 9, Article 8, Division 3, Section 98.301.

### **STAFF RECOMMENDATION**

That the San Diego Housing Commission (Housing Commission) approve the proposed policy revisions and deletions summarized in the Policy Matrix Requiring Housing Commission Approval (Attachment 1) and detailed in the Proposed Policy Revisions Binder; and recommend the San Diego City Council (City Council) and/or Housing Authority (Housing Authority) take the following actions:

1. Approve the proposed revisions and deletions to the Housing Commission major policies summarized in the Policy Matrix Requiring City Council and Housing Authority Approval (Attachment 2) and detailed in the Proposed Policy Revisions Binder (Attachment 3); and
2. Authorize the President & Chief Executive Officer (President & CEO) of the Housing Commission, or designee, to execute all documents and instruments as are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions as our necessary, and/or appropriate to implement these approvals.

### **SUMMARY**

The Housing Commission establishes and maintains written policies related to its method of operations in accordance with San Diego Municipal Code Chapter 9 Article 8, Division 3, Section 98.0301(d)(8)(D). Currently, there are a total of fifty-two (52) policies. At the beginning of Fiscal Year 2016 an effort was initiated to review and revise these policies to confirm compliance with applicable federal, state and local laws and ensure they accurately reflect current operations. Thirty-one (31) policies have been reviewed to date by Department staff, Senior Management and General Counsel. Ten require Housing Commission Board approval (Attachment 1) with the remaining twenty-one major policies requiring approval from both the City Council and Housing Authority (Attachment 2).

Sixteen (16) policies have been recommended for deletion as they are either duplicative of federal, state or local laws, have been repealed, replaced and/or combined with another policy. The remaining fifteen (15) policies have been amended to comply with current federal, state, local laws and/or current Housing

Commission practice. Specific information regarding the proposed revisions is summarized in Attachments 1 and 2. Strikeout and clean versions are included in Attachment 3.

The outstanding twenty-one (21) policies are either currently under review and/or will begin their review process later this month. These policies will be brought forward for approval once the review process is complete.

### **FISCAL CONSIDERATIONS**

These actions do not have any fiscal impact.

### **PREVIOUS COUNCIL and/or COMMITTEE ACTION**

On December 9, 2011, the Housing Commission Board unanimously approved revisions to the Commission Responsibilities Related to the Inclusionary Trust Fund policy PO-BEF-301.08 and the Commission Responsibilities Related to the Housing Trust Fund policy PO-BEF-301.09.

On June 29, 2010 the Housing Authority unanimously approved revisions to the Housing Program Lending Authority policy PO-RED 347.01 and the Housing Commission Loan Defaults, Foreclosures and Disposition of Property Acquired policy PO-RED-325.01.

On June 18, 2010, the Housing Commission Board unanimously approved revisions to the Housing Program Lending Authority policy PO-RED 347.01 and the Housing Commission Loan Defaults, Foreclosures and Disposition of Property Acquired policy PO-RED-325.01.

On June 10, 2011, the Housing Commission Board unanimously approved revisions to the Resident Caused Major Property policy PO-RED 312.02.

On April 20, 2010 the Housing Authority unanimously approved revisions to the Real Estate Disposition policy PO-RED 300.104.

On March 19, 2010 the Housing Commission Board unanimously approved revisions to the Real Estate Disposition policy PO-RED 300.104.

On January 26, 2010 the Housing Authority unanimously approved revisions to the Mobile Home Park Development policy PO-BEF 301.06.

On April 21, 2009 the Housing Authority unanimously approved the delegation of authority to the Housing Commission Board to make decisions related to the administration and management of human resource issues.

On July 17, 2001 the Housing Authority unanimously a recommendation to distinguish day-to-day operational policies from major policies and delegate responsibility to the Housing Commission for certain day-to-day operational policies.

### **ENVIRONMENTAL REVIEW**

The proposed Municipal Code revisions are not a project as defined by the California Environmental Quality Act (CEQA) Section 21065 and State CEQA Guidelines Section 15378(b)(2), as they are general policy and procedure making activities of a governmental entity. The determination that this

activity is not subject to CEQA, pursuant to Section 15060(c)(3), is not appealable and a Notice of Right to Appeal the Environmental Determination (NORA) is not required. These activities contemplated are exempt under the National Environmental Policy Act pursuant to Part 58.34(a)(3) of Title 24 of the Code of Federal Regulations.

Respectfully submitted,

Approved by,

*Debra Fischle-Faulk*

Debra Fischle-Faulk  
Vice President  
Procurement & Compliance  
San Diego Housing Commission

*Jeff Davis*

Jeff Davis  
Executive Vice President & Chief of Staff  
San Diego Housing Commission

Attachments:

1. Policy Matrix Requiring Housing Commission Only Approval
2. Policy Matrix Requiring City Council and Housing Authority Approval
3. Proposed Policy Revisions Binder – Strikeout and Clean Versions

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 in the “Public Meetings” section of the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org).

## San Diego Housing Commission Policy Revisions 2016

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### Housing Commission Board Approval Required

SUBJECT	SUMMARY OF CHANGES	JUSTIFICATION
PO000.301 - Legislative Policy Guidelines	<i>DELETE</i>	Obsolete. (See Council Pol. 000-19 for guidance re: Legislative Policy Guidelines for City Department).
PO300.203 - Senior Citizen Affordable Housing Conditional Use Permit (CUP) Requirements	<i>DELETE</i>	Obsolete. Applicable regulations already appear in Federal and State law.
PO106.000 - Employment of Project Area Residents & Utilization of Project Area Businesses	<ul style="list-style-type: none"> <li>• PO number changed from PO106.000 to PO-PUR-373.03 to align with updated numerical sequence.</li> <li>• PO name changed from “Employment of Project Area Residents &amp; Utilization of Project Area” to “Economic Opportunities for Low- and Very Low-Income Persons”</li> <li>• Policy was substantially modified with changes including and not limited to Applicability, Compliance, Section 3 Program Regulations, Monitoring and Reporting.</li> </ul>	Amended to comply with applicable laws, regulations and be consistent with Housing Commission’s new processes.
PO500.103 - Security Policy	<i>DELETE</i>	Obsolete. <b>SDHC is not federally mandated to have a Security Policy. However in the past two (2) years, eligible SDHC properties became certified through the Crime-Free Multi-family program, a national program. This is a partnership with Say San Diego, the City of San Diego and the San Diego Police Department..</b>
PO207.000 – Safety Policy	<i>DELETE</i>	Obsolete. IIPP Guidelines have been adopted in lieu of this policy.

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<p><b>PO202.000 - Disposition of Excess, Lost, Stolen or Abandoned Property</b></p>	<ul style="list-style-type: none"> <li>• PO number changed from PO201.000 to PO-PUR-373.04 to align with updated numerical sequencing.</li> <li>• PO name changed from “Disposition of Excess, Lost Stolen or Abandoned Property” to “Disposition of Excess, Lost Stolen or Abandoned Property Other Than Real Estate”</li> <li>• Updated staff positions and titles throughout document.</li> <li>• “Excess real property shall be sold as soon as practicable at public sale for not less than the fair value thereof, unless other disposition or method of disposition is approved by the Government when required. The proceeds of any such sale or other disposition of any real property constituting a part of or acquired in connection with any program, shall be deposited in the appropriate housing program general fund.” <b>Section 3.1 B REMOVED</b></li> <li>• “This policy does not pertain to the disposition of real estate. The Disposition of real estate is subject to the Policy for Sale and/or Disposition of Real Estate, PO-RED-300.104.” <b>Section 3.1 B ADDED</b></li> <li>• Dollar threshold was raised from \$25,000 to \$100,000 in accordance with current delegation. <b>Section 2.1 G MODIFIED</b></li> </ul>	<p>Minimally amended to be consistent with Housing Commission current practices.</p>
<p><b>PO500.104 – Resident Organizations</b></p>	<ul style="list-style-type: none"> <li>• PO number changed from PO500.104 to PO-RED-312.00 to align with updated numerical sequencing.</li> <li>• Policy was significantly revised to streamline approach to Resident Organizations.</li> </ul> <p>Primary edits include but are not limited to the addition and/or removal of the following language:</p> <ul style="list-style-type: none"> <li>• “If the need arises, the Housing Commission will consider drafting a handbook to further outline the Housing Commission’s detailed position with respect to Resident Organizations, when the number of public housing units operated by the Housing Commission exceeds 250.” <b>Section 2.3 ADDED</b></li> <li>• “Petition To Establish Resident Organization” <b>Section 3 REMOVED</b></li> <li>• “Notice To Residents And Election Of Initial Officers” <b>Section 4 REMOVED</b></li> <li>• “Adoption Of Written By-Laws And Operating Procedures” <b>Section 4 REMOVED</b></li> <li>• “Adoption Of Written By-Laws And Operating Procedures” <b>Section 5 REMOVED</b></li> <li>• “Resident Management” <b>Section 7 REMOVED</b></li> <li>• “Additionally, this funding may be used to support programming designed to inform and update residents regarding items that affect their quality of life including safety, self-sufficiency, education and leadership.” <b>Section ADDED</b></li> </ul>	<p>Amended to comply with applicable laws.</p>
<p><b>PO500.105 – Resident Caused Major Property Damage</b></p>	<ul style="list-style-type: none"> <li>• PO number changed from PO200.105 to PO-RED-312.02 to align with updated numerical sequencing.</li> </ul>	<p>Amended and streamlined to be consistent with Housing Commission current practices.</p>

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	<ul style="list-style-type: none"> <li>• Policy was substantially revised to confirm compliance with all applicable federal, state and local laws and SDHC current practice.</li> </ul>	
<p><b>PO600.300 - San Diego Housing Commission Rules on Relocation Assistance to Tenants in Rental Rehabilitation Programs</b></p>	<p><i>DELETED</i></p>	<p>Obsolete. Relocation requirements are provided for within state and federal law and a new Relocation handbook has been drafted and sent to HUD and has been approved by HUD.</p>
<p><b>PO600.201 - Housing Rehabilitation Program General Policy</b></p>	<ul style="list-style-type: none"> <li>• PO number changed from PO600.201 to PO-RED-318.01 to align with updated numerical sequencing.</li> <li>• PO name changed from “Housing Rehabilitation Program General Policy” to “Housing Rehabilitation Program Policy.”</li> </ul> <p>Primary edits include but are not limited to the addition and/or removal of the following language:</p> <ul style="list-style-type: none"> <li>• “1 <u>Policy</u> - A policy is defined as a general principal by which the Housing Commission is guided in its management of affairs, which has been established by the Housing Authority of the City of San Diego (“Housing Authority”) per SDMC Section 98.0301, or which has been delegated to the Housing Commission by action of the Housing Authority. It can be a plan or course of action intended to influence and determine decisions, actions, and other matters. A policy is not normally used to denote the manner in which the policy is achieved. The manner or method of achieving compliance with the policy would be the subject of an Administrative Regulation. Policies are reviewed and approved by the Board of Commissioners of the Housing Commission and/or Housing Authority (when required) prior to implementation. Administrative Regulations are promulgated by the President &amp; Chief Executive Officer (“CEO”), or designee, administratively. In addition, Guidelines are also promulgated by the CEO, or designee, administratively, and deal with method of achieving goals of the Commission, which are not the subject of Housing Commission policy.” <b>Section 2.1 ADDED</b></li> <li>• “The Program shall be administered in accordance with regulations governing the source(s) of funds utilized. Properties with structures built prior to 1979 shall be subject to City of San Diego Lead Hazard and Prevention Control Ordinance O-17454. Federally funded projects built before 1978 shall be subject to Title X of the Housing and Community Development Act of 1992 and related regulations and guidelines.” <b>Section 3.3 ADDED</b></li> <li>• “The income of eligible applicants shall not exceed the maximum AMI established for the specific program(s) being applied for. Applications shall be accepted on a city-wide basis. Applicants of targeted rehabilitation programs must reside within the boundaries of the operating areas.</li> </ul>	<p>Amended to comply with applicable laws and be consistent with Housing Commission practices.</p>

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	<p>Rehabilitation loans will follow existing processing procedures currently in place for the Housing Commission's Rehabilitation Program. Housing rehabilitation loans will be underwritten in accordance with the existing Housing Commission underwriting standards, as they may be amended from time to time. Loan terms are established for each funding source. Qualification for the terms of a specific loan shall be based upon the applicant's ability to meet the underwriting criteria. For the purpose of program eligibility determination, the income of an applicant shall include all verifiable income of adults (18 years of age and older) in the household. “ <b>Section 3 ADDED</b></p> <ul style="list-style-type: none"> <li>• “Rehabilitation loans will not be originated unless all health, safety and code violations can be corrected. All residential units must at minimum meet Uniform Physical Conditions Standards (UPCS).” <b>Section 3 ADDED</b></li> <li>• “The rules for eligibility and terms and conditions for rehabilitation of owner-occupied 1-4 unit properties, including mobile homes, are set forth within the applicable funding sources requirements imposed by the terms of the various grants. The Housing Commission shall follow those requirements, as they may be amended from time to time. The Housing Commission shall follow applicable local, state and federal law in operating the various owner-occupied rehabilitation programs administered by the Housing Commission. The terms and conditions for each program are available from the Housing Commission upon request and are contained within the applicable Administrative Regulations. The rules for eligibility and terms and conditions for the rental property rehabilitation shall be in strict compliance with all applicable federal, state or local laws.             <ol style="list-style-type: none"> <li>a. For eligible rental property owners the following revocable grants will be available for the following types of programs as long as funds exist:                 <ol style="list-style-type: none"> <li>1. Lead-Based Paint Hazard Control Grant to eliminate lead paint hazards in properties constructed prior to 1979 with the goal of preventing childhood lead poisoning. Priority will be given to properties occupied or frequently visited by children less than six years of age. At the time of the promulgation of this policy, grants up to \$5,000 per unit, plus \$5,000 for common areas is available for multi-family properties; or up to \$10,000 for a single family residence to cover costs of material and labor to remove lead hazards. Costs for lead testing, clearance inspection, operations and maintenance plans and any temporary relocation if necessary is covered separately by the grant. Terms and conditions of a grant may change from time to time as determined necessary to comply with the applicable grant requirements.</li> <li>2. Healthy Homes Grant to address other household hazards, such as pest management, air quality, debris removal, asthma/allergy triggers and fall hazards. Terms and conditions of a grant may change from time to time as determined necessary to comply with the applicable grant requirements.</li> </ol> </li> </ol> </li> </ul>	
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	3. All of the requirements rental property rehabilitation are on file in the offices of the Housing Commission, in the Administrative Regulations concerning rental Property program, as those may be amended from time to time.” <b>Section 3 ADDED</b>	
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### Major Policies Requiring Housing Authority and City Council Approval

SUBJECT	SUMMARY OF CHANGES	JUSTIFICATION
<b>PO000.001 - Creation of Housing Commission</b>	<i>DELETE</i>	Policy is duplicative of the Municipal Code.
<b>PO000.101 - Establishment of Commission</b>	<i>DELETE</i>	Obsolete. Policy is duplicative of the Municipal Code.
<b>PO600.101 - Housing Program Lending Authority</b>	<ul style="list-style-type: none"> <li>• PO number changed from PO600.101 to PO-RED-347.01 to align with updated numerical sequencing.</li> </ul> <p>Primary edits include but are not limited to the addition and/or removal of the following language:</p> <ul style="list-style-type: none"> <li>• “All loans exceeding the established Underwriting Criteria shall be approved by the Housing Commission Board of Commissioners. <b>Section 3.1 ADDED</b></li> <li>• “All loans referenced in Underwriting Criteria Level 2 may be approved by the Loan Committee. All other loans requiring Board of Commissioners of the San Diego Housing Commission (Board of Commissioners) approval will first be presented to the Real Estate Committee as an advisory Board to the Commission.” <b>Section 3.1 REMOVED</b></li> <li>• “All loans exceeding the CEO’s expenditure and approval authority set forth in the Housing Commission Statement of Procurement Policy PO-PUR-373.01 shall be approved by the Housing Commission Board of Commissioners. All loans exceeding the Housing Commission Board of Commissioners expenditure and approval authority shall be approved by the Housing Authority of the City of San Diego Board. “ <b>Section 3.2 ADDED</b></li> <li>• “In the event that an applicant has applied for grant funds in addition to loan funds, the requests shall be underwritten independently and in accordance with the criteria and limits stated in the attached Underwriting Criteria. Notwithstanding levels of review specified in 2.1 above, processing and presentation by staff directly to the Board of Commissioners may be available for projects which meet Board of Commissioners authorized criteria contained in a published Notice of Funding Availability. In the absence of a functioning Loan Committee, the Board of Commissioners shall consider and may approve loans as specified in Level Two of the Underwriting Criteria.” <b>Section 3 REMOVED</b></li> </ul>	Amended to comply with applicable laws and current delegation of authority.

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	<ul style="list-style-type: none"> <li>• “The report will be forwarded to the Land Use and Housing Committee, on an informational basis, twice annually.” <b>Section 3 REMOVED</b></li> <li>• “Underwriting approval for loans and thresholds” <b>Line K. MODIFIED</b></li> <li>• “Underwriting approval for loans and thresholds” <b>Level Two DELETED</b></li> </ul>	
<p><b>PO211.000 - Competition Program</b></p>	<p><b><i>DELETED</i></b></p>	<p>Obsolete. Based on current business practices, outsourced program services are procured competitively. Policy is duplicative Housing Commission’s Procurement Policy.</p>
<p><b>PO600.102 - Loan Committee</b></p>	<ul style="list-style-type: none"> <li>• PO number changed from PO600.102 to PO-RED-347.02 to align with updated numerical sequencing.</li> <li>• PO name changed from “Loan Committee to “Real Estate Committee</li> </ul> <p>Primary edits include but are not limited to the addition and/or removal of the following language:</p> <ul style="list-style-type: none"> <li>• “The REC shall review the following matters before action by the Board, unless it is determined by the President &amp; Chief Executive Officer, or designee, of the Housing Commission, that such action by the REC cannot be accomplished in a timely manner due to matters beyond the control of the Housing Commission: Recommendations on major loans being considered by the Housing Commission. For the purposes of this section a major loan is a loan of more than \$5,000,000; Recommendations on acquisitions of real estate by the Housing Commission. For the purposes of this section, acquisition of real estate includes ground leases in which the Housing Commission is a ground lessee; Recommendations on dispositions or sale of real estate owned by the Housing Commission. For the purposes of this section, sale of real estate includes ground leases in which the Housing Commission is the ground lessor; and Such other and further transactions involving real estate, as determined by the President &amp; Chief Executive Officer to be of a nature that review and recommendations of the REC before action by the Board is appropriate” <b>Section 3.1 ADDED</b></li> </ul>	<p>Amended and streamlined to be consistent with current Housing Commission practices.</p>

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	<ul style="list-style-type: none"> <li>• Not less than two of the members shall be current members of the Board. <b>Section 3.2 ADDED</b></li> <li>• REC meetings shall be scheduled to take place on an as-needed basis. Two members of the REC are required to make up a quorum. <b>Section 3.6 REVISED</b></li> <li>• All meetings of the REC shall be noticed in accordance with the provisions of the Ralph M. Brown Act. <b>Section 3.8 ADDED</b></li> <li>• The REC may meet in closed session in accordance with the applicable provisions of the Ralph M. Brown Act. <b>Section 3.9 ADDED</b></li> </ul>	
<p><b>PO600.301 - Financial Participation in Housing Development, Acquisition with Rehabilitation &amp; Large Rehabilitation Projects</b></p>	<p><i>DELETED</i></p>	<p>Obsolete These are AD HOC determinations to be made by the Housing Commission Board and, in cases where the Housing Authority pulls the matter for review, the Housing Authority will make the determination. Each project is unique. Each participation should be fact and project specific.</p>
<p><b>PO300.102 - Selection of Sites for Public Housing</b></p>	<p><i>DELETED</i></p>	<p>Obsolete. These are AD HOC determinations to be made by the Housing Commission Board and, in cases where the Housing Authority pulls the matter for review, the Housing Authority will make the determination. Each project is unique. Each participation should be fact and project specific.</p>
<p><b>PO500.106 - Sale of Public Housing or Land</b></p>	<ul style="list-style-type: none"> <li>• PO number changed from PO500.106 to PO-RED-312.04 to align with updated numerical sequencing.</li> <li>• PO name changed from “Sale of Public Housing” to “Sale of Public Housing or Land.”</li> </ul> <p>Primary edits include but are not limited to the addition and/or removal of the following language:</p> <ul style="list-style-type: none"> <li>• “Any such sale of public housing shall be subject to the applicable provisions of federal law concerning the disposition of public housing, however. In addition, any disposition shall comply</li> </ul>	<p>Amended to comply with applicable laws and be consistent with current Housing Commission practices.</p>

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	<p>with applicable state law, including without limitation relevant Health and Safety Code Provisions.” <b>Section 3.2 ADDED</b></p> <ul style="list-style-type: none"> <li>• “The Housing Commission may under circumstances that it deems in the best interests of the Housing Commission and mission of the Housing Commission sell undeveloped land. In such cases the Housing Commission shall comply with the provisions of Health and Safety Code Sections 34320, 34312.3 and/or 34315.7, as applicable. In addition, any sale of land shall be approved by the Board of Commissioners of the Housing Commission, with notice of such sale being given to the Housing Authority of the City of San Diego. Any Commissioner of the Housing Authority may ask that the proposed sale of land be considered by it within seven (7) days of the receipt of the Notice of Action by the Housing Commission. If no member of the Housing Authority asks to review the decision of the Housing Commission Board of Commissioners within the seven (7) day period, the action of the Housing Commission Board of Commissioners shall become final.” <b>Section 3.3 ADDED</b></li> </ul>	
<p><b>PO300.402 - Coastal Housing Program</b></p>	<p style="text-align: center;"><i>DELETED</i></p>	<p>Obsolete. Council Policy 600-3 was repealed in 2012. We have a procedures manual drafted to implement the City’s Ordinance on Coastal Overlay Zone Affordable Housing Replacement Regulations, SDMC Section 143.0810, which are intended to implement California Government Code Section 65590.</p>
<p><b>PO500.101 - Management Plan - State of California Rental Housing Construction Program (RCHP)</b></p>	<p style="text-align: center;"><i>DELETED</i></p>	<p>Obsolete. The units covered by this Management Plan have been converted to Public Housing units, the regulations of the Public Housing program control over the State requirements. There is no need to maintain a management plan based on the original state program.</p>

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<p><b>PO400.101 - Administrative Plan for Section 8 Housing Assistance Payments Programs</b></p>	<ul style="list-style-type: none"> <li>• PO number changed from PO400.101 to PO-RAP-310.01 to align with updated numerical sequencing</li> <li>• PO name change from “Administrative Plan for Section 8 Housing Assistance Payments to “Administrative Plan for the Rental Assistance Program”</li> <li>• Additional referencing was added to describe HUD requirements. <b>Section 3.0 ADDED</b></li> </ul>	<p>Minimally amended to comply with applicable laws and requirements.</p>
<p><b>PO-RED-318.03 - Redevelopment Area Rehabilitation</b></p>	<p><i>DELETED</i></p>	<p>Combined with PO-RED-318.01 Housing Rehabilitation Program General Policy for one comprehensive policy.</p>
<p><b>PO600.202 - Rental Property Rehabilitation</b></p>	<p><i>DELETED</i></p>	<p>Combined with PO-RED-318.01 Housing Rehabilitation Program General Policy for one comprehensive policy.</p>
<p><b>PO600.203 - Owner - Occupied Housing</b></p>	<p><i>DELETED</i></p>	<p>Combined with PO-RED-318.01 Housing Rehabilitation Program General Policy for one comprehensive policy.</p>
<p><b>PO600.104 - Housing Commission Loan Restructuring and Modification Policy</b></p>	<ul style="list-style-type: none"> <li>• PO number changed from PO300.301 to PO-RED-325.02 to align with updated numerical sequencing.</li> </ul> <p>Primary edits include but are not limited to the addition and/or removal of the following language:</p> <ul style="list-style-type: none"> <li>• “All requests for loan modifications on multifamily loans (defined as 5 or more units) will be reviewed by staff qualified to underwrite the loan. A recommendation will be prepared for review and approval by the Senior Vice President of the Real Estate Division. The following loan modification requests shall require Housing Commission and/or Housing Authority approval:                       Waiver, modification, or deferral of any Housing Commission required condition                      Litigation settlements                      Workouts / restructurings                      Changes in senior debt, loan terms, interest rates, or affordability requirements.” <b>Section 3 ADDED</b></li> <li>• “If the request is regarding a rental project, no consideration will be given regarding the project’s ability to cover the debt service, the loan-to-value ratio, or condition of the property; or</li> </ul>	<p>Amended to comply with applicable laws and be consistent with current Housing Commission practices.</p>

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	<p>The rental project has sufficient income to pay all operating expenses and has a debt coverage ratio of 1.1 or greater.</p> <p>The Chief Executive Officer is authorized to grant a full or partial deferral for up to five years for loans on owner-occupied properties. Loan Committee shall be granted authority to defer or partially defer all other loans funded directly by the Housing Commission for up to five years. Deferrals for loans will be provided if the following conditions are met :</p> <p>The property does not have sufficient equity to cover the Housing Commission’s lien; The owners appear to have very limited or no assets; and The deferral of the payments due the Housing Commission will make the project feasible.</p> <p>If cases where deferment will not make the project feasible and restructuring of the Commission’s debt is required (i.e. reduction in the interest rate or monthly payment, loan term deferment), the authority for approval will be based on the Level of Authority as described in the Housing Program Lending Authority Policy 600.101. Notwithstanding Policy 600.101, the request for modification of loans on rental properties will be presented to the Housing Commission Board for consideration when the Housing Commission’s investment exceeds \$50,000.” <b>Section 3 REMOVED</b></p> <ul style="list-style-type: none"> <li>• Sections regarding “Subordination Requests” and “Assignment and Assumption” Requests were add to the policy. <b>Section 3 ADDED</b></li> </ul>	
<p><b>PO600.103 - Housing Commission Loan Defaults, Foreclosures and Disposition of Property Acquired</b></p>	<p><i>DELETED</i></p>	<p>Obsolete. Content of this policy is now covered in the Housing Commission’s Disposition Policy.</p>
<p><b>PO300.104 – Real Estate Disposition Policy</b></p>	<ul style="list-style-type: none"> <li>• PO number changed from PO300.104 to PO-RED-300.104 to align with updated numerical sequencing.</li> <li>• PO name changed from “Real Estate Disposition Policy” to “Policy for Sale and/or Disposition of Real Estate”</li> </ul> <p>Primary edits include but are not limited to the addition and/or removal of the following language:</p> <ul style="list-style-type: none"> <li>• “Housing Commission-owned real estate, including without limitation multi-family projects, land, and/or public housing.” <b>Section 1 ADDED</b></li> </ul>	<p>Amended and streamlined to be consistent with current Housing Commission practices.</p>

## San Diego Housing Commission Policy Revisions 2016

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	<ul style="list-style-type: none"> <li>• “Terms or words used within this policy are defined within the policy, itself or by reference to other applicable references in which the words and or terms are defined. The word “disposition” includes all forms of transfer of real estate, including by grant deed, quitclaim deed, warranty deed, ground lease, sublease, assignments, transfers, and any and all other legally permissible methods of transferring real estate and/or interests in real estate to another person and or entity.” <b>Section 2 ADDED</b></li> <li>• “any program in an effort to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities” Section 3 (a.) ADDED</li> <li>• “When it is determined by the President &amp; Chief Executive Officer that the sale meets the requirements of Health &amp; Safety Code Section 34312,et. seq. including without limitation Section 34312.3;” <b>Section 3 (c) ADDED</b></li> <li>• “When single family homes or condominium units have been acquired by foreclosure or through a deed in lieu of foreclosure on an affordable for-sale restricted unit and the homes or units are sold to an eligible buyer subject to affordable restrictions recorded against the property;” <b>Section 3 (d) ADDED</b></li> <li>• “Or in any other situation where the sale of the family homes or condominiums is determined by the CEO upon the advice of counsel to comply applicable federal, state and local law and the sale of the family homes or condominiums advances the mission of the Commission.” <b>Section 3 (e) ADDED</b></li> <li>• “Repair by the homeowners after acquisition.” <b>Section 3.2 REMOVED</b></li> <li>• “All sales of affordable for-sale restricted condominium units or single family homes acquired by foreclosure or deed in lieu of foreclosure shall be sold by the CEO in accordance with the terms of any applicable restrictions recorded against the property.” <b>Section 3.2 ADDED</b></li> <li>• “All sales and dispositions shall be accomplished in a manner that shall provide for low and moderate income ownership opportunities to the qualified persons, households and families, to the greatest extent possible. With the exception of the affordable for-sale restricted units, all sales and dispositions shall be at prices no lower than the purchase price paid by the Housing Commission and/or the Housing Authority, except to the extent that the fair market value of the property acquired, as determined by an appraisal at the time of sale, has decreased from said purchase price(s), in which case the sales or dispositions may be made at the appraised value at the time of sale. All sales involving any stimulus program shall be made in accordance with all laws, rules and regulations affecting the program. To the extent that any proposed sale or disposition does not meet all of the requirements set forth within this policy, it must be forwarded to the Housing Commission Board for approval prior to the consummation of the proposed sale or disposition. In the event that the price difference between purchase price and sale prices is greater than \$250,000,</li> </ul>	
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## San Diego Housing Commission Policy Revisions 2016

Thursday, July 21, 2016

	<p>disposition approval must be forwarded to the Housing Authority for approval.” <b>Section 3.2 REMOVED</b></p> <ul style="list-style-type: none"> <li>• “Affordable for-sale restricted units can only be sold to eligible low and moderate income buyers pursuant to the affordable restrictions recorded against the property;” <b>Section 3.2 REMOVED</b></li> <li>• The majority of <b>Section 3.3</b> has been re-written.</li> <li>• <b>Section 3.7 and 3.8 ADDED</b></li> </ul>	
<p><b>PO300.103 – Real Estate Acquisition Policy</b></p>	<ul style="list-style-type: none"> <li>• PO number changed from PO300.103 to PO-RED-374.02 to align with updated numerical sequencing.</li> <li>• PO name changed from “Real Estate Acquisition Policy” to “Policy for Acquisition and/or Purchase of Real Estate</li> </ul> <p>Primary edits include but are not limited to the addition and/or removal of the following language:</p> <ul style="list-style-type: none"> <li>• “The CEO is delegated the power and authority to approve due diligence efforts, up to the limits as set forth by the Housing Authority (currently \$250,000), in order to determine a property’s value and suitability for acquisition. Due diligence efforts will include, but shall not be limited to, appraisal, physical needs assessment, lead paint and asbestos containing materials assessment, Phase I and Phase II environmental reports, geotechnical studies, and environmental review.” <b>Section 4.6 ADDED</b></li> <li>• “The Commission shall adopt Administrative Regulations to further implement this policy. In addition to acquiring units that have been foreclosed and/or are in jeopardy of being foreclosed, the Commission is delegated authority and power to and may acquire other units/homes and projects, to achieve the goal of acquiring and/or producing a minimum of 350 units required by HUD in its approval of the public housing disposition, without further action by the Housing Authority, but subject to review by the Housing Authority as referenced in Paragraph 7 of this policy. These acquisitions may be accomplished with or without brokers, through lenders and/or directly from private owners and developers, or any combination of the foregoing. The Commission shall report to the Housing Authority and the City Council not less frequently than twice a year on the status of the acquisition(s) by written informational report(s).” <b>Section 4 REMOVED</b></li> <li>• To the extent that any real estate being acquired is to be utilized for public housing, any all applicable federal law and regulations concerning public housing shall be addressed by the Housing Commission prior to the close of escrow for the acquisition. For the purposes of the subsection “addressed” means developing a workable and cost effective plan to meet the federal requirements. <b>Section 4 ADDED</b></li> </ul>	<p>Amended to comply with applicable laws and be consistent with current Housing Commission practices.</p>



## San Diego Housing Commission Policy Revisions 2016

Thursday, July 21, 2016

<p><b>PO300.401 - Mobile Home Park Development</b></p>	<ul style="list-style-type: none"> <li>• PO number changed from PO300.401 to PO-BEF-301.06 to align with updated numerical sequencing.</li> </ul> <p>Primary edits include but are not limited to the addition and/or removal of the following language:</p> <ul style="list-style-type: none"> <li>• In compliance California Government Code Section 65863.7, the person or entity filing the report or park resident may request, and shall have a right to, a hearing on the sufficiency of the report. <b>Section 5.1 ADDED</b></li> <li>• “Relocation plans required by the Mobile Home Park Overlay Zone will be reviewed by the President &amp; CEO of the San Diego Housing Commission as to conformance with Commission standards.” <b>Section 5.3 REMOVED</b></li> </ul>	<p>Amended to comply with applicable laws and current delegation of authority.</p>
<p><b>PO300.501 - Commission Responsibilities Related to the Housing Trust Fund</b></p>	<ul style="list-style-type: none"> <li>• PO number changed from PO600.202 to PO-BEF-301.09 to align with updated numerical sequencing.</li> </ul> <p>The policy was significantly edited and replaced with the language outlined below:</p> <ul style="list-style-type: none"> <li>• “The responsibilities of the San Diego Housing Commission concerning the Housing Trust Fund and the Affordable Housing Fund are set forth within the provisions of San Diego Municipal Code Sections 98.0501 et. seq. and 98.0601 et. seq., as those ordinances may be amended from time to time.</li> </ul> <p>In addition, the President &amp; CEO of the San Diego Housing Commission shall promulgate administrative regulations to allow for the implementation of the duties of the San Diego Housing Commission.” <b>Section 1 ADDED</b></p>	<p>Amended to comply with applicable laws and current delegation of authority.</p>
<p><b>PO-BEF-301.08 - Commission Responsibilities Related to the Inclusionary Trust Fund</b></p>	<p>The policy was significantly edited and replaced with the language outlined below.</p> <ul style="list-style-type: none"> <li>• The responsibilities of the San Diego Housing Commission concerning the Inclusionary Ordinance are set forth within the provisions of San Diego Municipal Code Section 142.1301 et. seq., as that ordinance may be amended from time to time.</li> </ul> <p>In addition, the President &amp; CEO of the San Diego Housing Commission shall promulgate administrative regulations to allow for the implementation of the duties of the San Diego Housing Commission. <b>Section 1 ADDED</b></p>	<p>Amended to comply with applicable laws and current delegation of authority.</p>



SAN DIEGO  
HOUSING  
COMMISSION

# Attachment 3

## HCR16-020 San Diego Housing Commission Administrative Policy Revisions

### Proposed Policy Revisions Binder Strikeout & Clean Versions

**July 29, 2016**

San Diego Housing Commission  
1122 Broadway, Suite 300  
San Diego, CA 92101  
[www.sdhc.org](http://www.sdhc.org)

San Diego Housing Commission Policies  
2016

San Diego Housing Commission Board Required Approval

1. Legislative Policy Guidelines
2. Senior Citizen Affordable Housing Conditional Use Permit (CUP) Requirements
3. Employment of Project Area Residents & Utilization of Project Area Businesses
4. Security Policy
5. Safety Policy
6. Disposition of Excess, Lost, Stolen or Abandoned Property
7. Resident Organizations
8. Resident Caused Major Property Damage
9. San Diego Housing Commission Rules on Relocation Assistance to Tenants in Rental Rehabilitation Programs
10. Housing Rehabilitation Program General Policy

Major Policies Requiring Housing Authority and City Council Approval

11. Creation of the Housing Commission
12. Establishment of the Housing Commission
13. Housing Program Lending Authority
14. Competition Program
15. Loan Committee/Real Estate Committee
16. Financial Participation in Housing Development, Acquisition with Rehabilitation & Large Rehabilitation Projects
17. Selection of Sites for Public Housing
18. Sale of Public Housing or Land
19. Coastal Housing Program
20. Management Plan - State of California Rental Housing Construction Program (RCHP)
21. Administrative Plan for Section 8 Housing Assistance Payments Programs
22. Redevelopment Area Rehabilitation
23. Rental Property Rehabilitation
24. Owner Occupied Housing
25. Housing Commission Loan Restructuring and Modification Policy
26. Housing Commission Loan Defaults, Foreclosures and Disposition of Property Acquired
27. Real Estate Disposition Policy
28. Real Estate Acquisition Policy
29. Mobile Home Park Development
30. Commission Responsibilities Related to the Housing Trust Fund
31. Commission Responsibilities Related to the Inclusionary Trust Fund



# POLICY

**EFFECTIVE DATE:** 7/13/87

**NO:** PO-BEF-301.02

**SUBJECT:** Legislative Policy Guidelines

Page 1 of 4

## Purpose

Legislative Policy Guidelines provide policy direction to City Departments and the Department of Legislative Services in evaluating State and Federal proposed legislative and in preparing a timely response which sets forth the support or opposition of the City to this legislation.

## V. LAND USE

### B. HOUSING

1. Support efforts to enhance implementation of the City of San Diego's balanced community policy.
2. Support efforts to enhance the City's ability to achieve a jobs/housing balance.
3. Support efforts to permit, but not mandate, local jurisdictions to assemble land so that efficiencies of scale allow the land to be returned for private development, and encourage the desired development type and intensity as established by the general plan, community plans, and Council policy.
4. Support efforts which lower the cost of any of the major components of housing: i.e., land, materials, labor, financing, marketing and manufactured housing and the elimination of restrictive code requirements consistent with community and environmental policies of the City.
5. Support efforts to repeal Article XXXIV of the State Constitution which requires voter approval of low-rent housing projects.
6. Support efforts to promote Fair Housing through the enhancement of equal access to housing opportunities for all people without regard to their sex, age, race, religion, national origin, color, or handicap.
7. Oppose State and Federal mandated referendum requirements for local housing.

# POLICY

**EFFECTIVE DATE:** 7/13/87

**NO:** PO- BEF-301.02

**SUBJECT:** Legislative Policy Guidelines

Page 2 of 4

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## **VI. SOCIAL PROGRAMS**

### **A. AFFORDABLE HOUSING/HOMELESS**

1. Support efforts to develop coherent State and national housing policies along with increased financial support for, Federal and State participation in, and local authority to preserve and expand adequate affordable housing (home ownership and/or rental opportunities) for the elderly, handicapped, and low income persons throughout the community with the following goals:
  - a. Fund a multifaceted housing agenda which includes housing production and preservation programs along with rental assistance and rehabilitation.
  - b. Maintain and create tax incentives for private and nonprofit development and preservation of affordable housing.
  - c. Enhance the City's Housing Trust Fund and related programs.
  - d. Balance nonprofit and other development interests in providing affordable housing.
  - e. Provide complete and timely utilization of redevelopment tax increment funds which are set aside for affordable housing, and target use of those funds for low and very low income households.
  - f. Promote but not mandate linkages between housing assistance and programs which encourage resident self sufficiency.
2. Support efforts to develop increased financial support for, Federal and State participation in, and local authority to provide adequate housing for homeless persons throughout the community with the following goals:
  - a. To allow for the establishment of sufficient emergency shelter bed spaces to serve the community need.
  - b. To allow for the establishment of transitional housing facilities that provide a bridge between emergency shelters and conventional housing.
3. Support the provisions of State and Federal assistance in identifying State and Federal lands and/or facilities or adaptive reuse of existing facilities as 24-hour emergency shelters for the homeless.

# POLICY

**EFFECTIVE DATE:** 7/13/87

**NO:** PO- BEF-301.02

**SUBJECT:** Legislative Policy Guidelines

Page 3 of 4

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## VIII. COMMUNITY AND ECONOMIC DEVELOPMENT

- A. Support legislation which facilitates the creation of a new economic development strategy for the City of San Diego including implementation of the recommendations of the Economic Development Task Force, including:
1. Legislation which gives the City authority to streamline the regulatory process and coordinate local, state, and federal regulations in a simple, effective, and equitable manner.
  10. State and federal programs and initiatives which increase the availability of affordable housing to help maintain and attract business.
- C. Support efforts to develop increased Federal and State financial support for and participation in economic and community development programs with local government maintaining final control of planning and implementation for the following goals:
1. Maintain and create tax incentives for private revitalization of existing commercial, industrial and housing resources where such assistance produces new tax and social/community benefits to the City.
  4. Support efforts to retain and create financial incentives for private investment in the revitalization of commercial, industrial and residential areas of the City including redevelopment project areas and enterprise zones.
  5. Support efforts to retain and increase the ability of the Redevelopment Agency to undertake revitalization of blighted areas through tax increment financing, limitation on toxic cleanup liability, condemnation powers and other strategies as appropriate.
  6. Support the continued development of small business in San Diego including technical assistance and financial programs with an emphasis on women and minority owned enterprises.
  7. Support efforts to encourage the participation of financial institutions in local community economic development programs.
  9. Support efforts to retain and increase the competitiveness and viability of the San Diego economy through: (1) appropriate regulatory policies, (2) support for public educational institutions, technology transfer, research and development, (3)

# POLICY

**EFFECTIVE DATE:** 7/13/87

**NO:** PO- BEF-301.02

**SUBJECT:** Legislative Policy Guidelines

Page 4 of 4

development of export markets, (4) employment and training programs, and (5) development of affordable housing programs.

13. Oppose efforts which diminish the housing and community and economic development authority of local elected officials.
14. Oppose efforts which restrict or reduce the authority or flexibility of local governments, or which grant the State or Federal government approval or veto authority, in the implementation of local redevelopment, revitalization, and rehabilitation projects, including the use of tax increment financing by local agencies.

**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

**History:**

Adopted as Housing Commission Policy 07/13/87.  
Amended by City Council Resolution R-270123, 1/11/88.  
Amended by City Council Resolution R-277553, 3/25/91.  
Revised by Housing Commission, 9/20/93.



# POLICY

**EFFECTIVE DATE:** 12/3/1985 **NO:** PO-RED-367.01  
**SUBJECT:** SENIOR CITIZEN AFFORDABLE HOUSING CONDITIONAL USE PERMIT (CUP) REQUIREMENTS

Page 1 of 2

## 1 Purpose

The City of San Diego provides developers with development incentives to construct senior citizen housing. Through the City Planning Department's CUP process, developers building senior housing may receive an increase in project density, along with a reduction in their parking requirement. (Contact Planning Department staff for further details.)

## 2 Scope

If the project is approved, the developer executes a CUP agreement with the City. The CUP is a covenant running with the land which binds the developer and subsequent owners to all conditions specified in the agreement.

Of these CUP conditions, the Housing commission monitors owner compliance with the following two conditions: 1) the tenant occupancy restrictions for all units; and 2) the maximum household income and rental restrictions on all bonus units.

1. The CUP occupancy condition restricts occupancy (in projects with less than 150 units) to households with at least one person in residence who is at least 62 years of age or physically handicapped. For a project with 150 units or more, the age restriction is reduced from 62 years to 55 years of age.
2. In addition to the occupancy condition above, all bonus units are restricted to low income households, as adjusted for household size. These actual tenant income limits are enumerated on Attachment A. Beyond renting to low income households, the CUP restricts the maximum rent for bonus units to the lesser of two amounts.

The first rent limit is derived from HUD's published median income figure for San Diego. These formula rental restrictions, as adjusted for unit size, are identified on Attachment A. The second rent restriction limits bonus unit rent to no more than 90% of the rent charged for the last market-rate unit rented, of comparable square footage, amenities, and number of bedrooms, to be rented in the project. The lesser amount of these rent restrictions becomes the effective bonus unit rent restriction.

The following example of a one-bedroom bonus unit demonstrates how to apply these two rent restrictions. (Note that in this example, \$500 is the comparable market-rate rental amount.)



# POLICY

**EFFECTIVE DATE:** 12/3/1985

**NO:** PO- RED-367.01

**SUBJECT:** SENIOR CITIZEN AFFORDABLE HOUSING CONDITIONAL USE  
PERMIT (CUP) REQUIREMENTS

Page 2 of 2

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1. \$515 (HUD derived one-bedroom rent limit)
2. 90% of comparable market rents within the project:  
\$550 (last rent charged for comparable market-rate unit) x 90% = \$495

In this example, calculation number 2 is the lesser amount and, therefore, the maximum bonus unit rental amount.

If you have further questions regarding the aforementioned CUP restrictions, please contact Lee Bates at (619) 231-9400, extension 215.

**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

DELETED



# POLICY

EFFECTIVE DATE: TBD

NO: PO-PUR-373.03

SUBJECT: ~~Employment of Project Area Residents & Utilization of Project Area Businesses~~ Economic Opportunities for Low- and Very Low-Income Persons

Page 1 of 26

## 1 Purpose

To provide general policy information and direction regarding ~~the purpose of~~ Section 3 of the Housing and Urban Development (HUD) Act of 1968 (12 U.S.C. 1701u) (section 3) implemented and regulated at Title 24, Part 135 of the Code of Federal Regulations.  
~~is to ensure that employment and other economic opportunities generated by certain U.S. Department of Housing and Urban Development financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.~~

~~Section 3 of the HUD Act of 1968 is implemented and regulated at Title 24, Part 135 of the Code of Federal Regulations.~~

## 2 Definitions

See Attachment A.

## 3 Applicability

Recipients and sub-recipients of certain HUD financial assistance (including contractors and subcontractors that perform on certain HUD-funded contracts/projects) are required to comply with Section 3 requirements. Ultimate beneficiaries (i.e. single-family homeowners) of HUD financial assistance are not required to comply.

### A. Section 3 Covered Assistance

Section 3 applies to training, employment, contracting, other economic opportunities resulting from the expenditure of the following HUD assistance (Section 3 covered):

#### 1) Public and Indian Housing Assistance

- a) Development assistance provided pursuant to section 5 of the U.S. Housing Act of 1937 (1937 Act);
- b) Operating assistance provided pursuant to section 9 of the 1937 Act; and

# POLICY

EFFECTIVE DATE: TBD

NO: PO- PUR-373.03

SUBJECT: ~~Employment of Project Area Residents & Utilization of Project Area Businesses~~ Economic Opportunities for Low- and Very Low-Income Persons

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c) Modernization assistance provided pursuant to section 14 of the 1937 Act.

2) Housing and Community Development Assistance

a) Housing rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair and replacement);

b) Housing construction; and

c) Other public construction.

B. Dollar Thresholds

1) Public and Indian Housing Assistance

~~—Applies to recipients, notwithstanding the ~~dollar~~ amount of financial assistance provided to the recipient.~~

a)

b) Applies to all contractors and subcontractors regardless of the amount of the contract or subcontract.

~~1) Housing and Community Development Assistance~~

2)

~~a) Applies to recipients of assistance for a Section 3 covered project for which the amount of the assistance exceeds \$200,000.~~

~~b) a) Applies to recipients of assistance for a Section 3 covered project for which the amount of the assistance exceeds \$200,000.~~

~~e) b) Applies to contractors and subcontractors performing on contracts or subcontracts that exceed \$100,000.~~

4 Program Implementation

SDHC's Section 3 implementation and compliance is an agency-wide effort that is led by the Section 3 Unit. The following operational guides are ~~will be~~ used to facilitate Section 3 implementation and compliance and are located on the SDHC website in the Business Section under Section 3:

A. Section 3 Implementation Plan

B. Section 3 Administrative Guide

C. Section 3 Contractor's Guide

D. Section 3 Resident Certification FAQ

# POLICY

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NO: PO- PUR-373.03

SUBJECT: ~~Employment of Project Area Residents & Utilization of Project Area Businesses~~ Economic Opportunities for Low- and Very Low-Income Persons

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## 5 Responsibilities

~~In accordance with 24CFR135.32, the responsibility of~~ SDHC's responsibility includes, but is not limited to

- Implementing procedures to notify Section 3 Residents of training and employment opportunities and Section 3 Business Concerns of contracting opportunities generated by Section 3 covered assistance;
- Notifying bidders and proposers of Section 3 requirements, and including the Section 3 Clause (24CFR135.38) in all solicitations and contracts;
- Facilitating the training and employment of Section 3 Residents and the award of contracts to Section 3 Business Concerns to reach the numerical goals for Section 3;
- Assisting and cooperating with HUD in obtaining compliance of contractors and subcontractors, and refrain from entering into any contract with a contractor where SDHC has notice or knowledge that the contractor has been found in violation of 24CFR135;
- Documenting actions taken to comply with Section 3 requirements, the results of actions taken and impediments, if any.

## 6 Compliance

~~To comply with Section 3,~~ SDHC, its sub-recipients, contractors and subcontractors are required to commit to achieving the Section 3 numerical goals ~~to~~ the greatest extent feasible

### A. Numerical Goals

- 1) Employ Section 3 Residents as 30 percent of all new hires during a one-year period;
- 2) Award Section 3 Business Concerns at least 10 percent of the total contract dollar amount of construction or rehabilitation services; and
- 3) Award Section 3 Business Concerns at least 3 percent of the total contract dollar amount for non-construction services.

## 7 Noncompliance

# POLICY

EFFECTIVE DATE: TBD

NO: PO- PUR-373.03

SUBJECT: ~~Employment of Project Area Residents & Utilization of Project Area Businesses~~ Economic Opportunities for Low- and Very Low-Income Persons

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- A. SDHC has the burden of demonstrating why it was not feasible to meet the Section 3 numerical goals. Such justification may include impediments encountered despite actions taken; and indicate other economic opportunities which were provided in efforts to comply.
- B. Sub-recipients, contractors and subcontractors that do not commit to achieving the Section 3 numerical goals are noncompliant.
- C. Noncompliant sub-recipients, contractors and subcontractors have an opportunity to do business with SDHC by submitting a Section 3 and Equal Opportunity Contracting Project Utilization Plan approved by the SDHC Section 3 Unit.
- D. Noncompliance status does not apply when there are no opportunities available for subcontracting and to hire new employees.

## 8 Economic Opportunities for Section 3 Business Concern Opportunities

### A. Contracting

To facilitate contract awards to Section 3 Business Concerns, all Section 3 covered Requests for Proposal (RFP), Invitations for Bid (IFB), Invitations for Quotes (IFQ), Notices of Funding Availability (NOFA), grants, agreements, contracts (including contracts to exercise option years), etc. will include the following

- 1) Section 3 Language
  - a) Standard language that provides an overview of Section 3, the requirements for proposers/bidders and awardees.
- 2) Section 3 and Equal Opportunity Contracting and Project Utilization Plan
  - a) Use to identify, evaluate and approve proposers/bidders utilization of Section 3 Business Concerns and Section 3 Residents;
  - b) Establish a baseline to monitor and measure contractors' and subcontractors' compliance during contract performance; and
  - c) Document proposers'/bidders' Section 3 outreach efforts.

—Approved Plan Approach

# POLICY

EFFECTIVE DATE: TBD

NO: PO- PUR-373.03

SUBJECT: ~~Employment of Project Area Residents & Utilization of Project Area Businesses~~ Economic Opportunities for Low- and Very Low-Income Persons

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- 3) a) Contracts (including contracts to execute options) SDHC will not be executed a contract including contracts to execute option years that do not incorporate by reference an approved plan to utilize Section 3 Business Concerns and/or Section 3 Residents, or reference the waiver granted by SDHC; and
- b) The Section 3 Unit's review, evaluation and approval of the Section 3 and Equal Opportunity Contracting and Project Utilization Plans of those proposers/bidders will be part of the Procurement Department's final review and evaluation process. -

B. Section 3 Clause Requirement

All Section 3 covered contracts shall include the entire clause set forth at 24CFR135.38.

C. Certification Program

- 1) SDHC administers a Section 3 certification program for businesses that qualify as Section 3 Business Concerns. Applicants self-certify their Section 3 eligibility by complete and submit an application that collects industry data, licenses/certifications held and financial capacity. A business must be located in the County of San Diego in order to apply. The Section 3 Unit reviews and approves applications.
- 2) SDHC maintains a list of certified Section 3 Business Concerns to refer for contracting opportunities; identifies and addresses training needs of Section 3 Business Concerns; and collects, tracks and reports on the business development of Section 3 Business Concerns.

D. Efforts to Award Contracts to Section 3 Business Concerns

To increase opportunities for Section 3 Business Concerns, SDHC undertakes the following efforts on Section 3 covered projects:

- 1) Ensures Section 3 Language and the Section 3 and Equal Opportunity Contracting Project Utilization Plan are included in all solicitations (RFPs, IFBs, IFOs, NOFAs and others – both informal and formal).
- 1)2) Requires all proposals/bids for Section 3 covered contracts/projects to include a completed Section 3 and Equal Opportunity Contracting Project Utilization Plan, with documentation verifying Section 3 outreach efforts.

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- ~~2)3)~~ Deems proposals/bids that do not contain the completed Section 3 and Equal Opportunity Contracting Project Utilization Plan as “nonresponsive.”
  - 4) Does not execute agreements or contracts (including a contract to execute option years) that do not incorporate, by reference, an approved Section 3 and Equal Opportunity Contracting Project Utilization Plan, or ~~reference the~~ waiver granted by SDHC.
  - ~~3)5)~~ Ensures ~~that all Section 3 covered~~ contracts include the Section 3 Clause (24CFR135.38).
  - ~~4)6)~~ Considers, at its discretion, reducing insurance and/or bonding requirements on informal solicitations valued less than \$100,000.
  - ~~5)7)~~ Requests quotes from certified Section 3 Business Concerns on informal solicitations less than \$10,000 and in accordance with SDHC’s Procurement Policy.
  - ~~6)8)~~ Requests at least one quote from certified Section 3 Business Concerns on informal solicitations valued at more than \$10,000, but less than \$100,000, and in accordance with SDHC’s Procurement Policy.

To increase opportunities for Section 3 Business Concerns overall, SDHC:

- 1) Organizes networking or pre-proposal/pre-bid events that afford Section 3 Business Concerns the opportunity to meet with contractors and subcontractors.
- 2) Promotes the Section 3 certification program at outreach events.
- ~~3) Organize networking or pre-proposal/pre-bid events that afford Section 3 Business Concerns the opportunity to meet with contractors and subcontractors.~~
- 4) Maintains a registry of certified Section 3 Business Concerns. Disseminates registry within SDHC; and to sub-recipients, contractors and subcontractors.
- ~~3)5)~~ Attends conferences for small, women- and/or minority-owned businesses to identify Section 3 Business Concerns.  
~~promote the Section 3 certification program at outreach events.~~

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SUBJECT: ~~Employment of Project Area Residents & Utilization of Project Area Businesses~~ Economic Opportunities for Low- and Very Low-Income Persons

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~~Maintain a registry of certified Section 3 Business Concerns. Disseminate registry within SDHC; and to sub-recipients, contractors and subcontractors.~~

=

- ~~4)6)~~ Notifies Section 3 Business Concerns of Section 3 covered contracting and subcontracting opportunities with SDHC, its sub-recipients, contractors and subcontractors; and with public agencies and corporations.
- ~~5)7)~~ Develops and/or presents business development workshops for Section 3 Business Concerns, i.e., business plan writing, certifications, financing, insurance, bonding and marketing.
- ~~6)8)~~ Collaborates with the Public Agency Consortium (PAC) and the U.S. Small Business Administration to educate the local small business community about Section 3.
- ~~9)~~ Administers and updates a Section 3 public Web page with program related ~~from which the public can obtain~~ information and downloadable forms.

## ~~89~~ Economic Opportunities for Section 3 Resident Opportunities

### A. Certification Program

- 1) SDHC administers a Section 3 certification program for individuals that qualify as Section 3 Residents. Applicants ~~self-certify their Section 3 eligibility by~~ complete and submit application that collects data regarding their work experience, skills and training needs. An individual must reside in the County of San Diego in order to apply. The Section 3 Unit reviews and approves applications.
- 2) SDHC maintains a list of certified Section 3 Residents to refer for training and employment opportunities; identify and address the training needs; and collect, track and report on the development of Section 3 Residents.

### B. Efforts to Offer Training and Employment ~~Opportunities to Section 3 Residents~~

To increase training and employment opportunities for Section 3 Residents, SDHC-

- 1) Utilizes the Achievement Academy to provide job training assistance (i.e., résumé writing, interviewing techniques, etc.) to eligible Section 3 Residents.
- 2) Provides micro-enterprise training to eligible Section 3 Residents.



# POLICY

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- 3) Recruits Section 3 Residents for employment with SDHC.
- 4) Incorporates Section 3 hiring procedures into the personnel policy.
- 5) Provides Section 3 information on the SDHC Careers website.
- 6) Encourages SDHC's hiring managers to review résumés from Section 3 Residents.
- 7) Posts job vacancy announcement on CalJobs, the California Employment Development Department's online job board.
- 8) Conducts "How to Obtain Employment" workshops.
- 9) Notifies certified Section 3 Residents of training and employment opportunities.
- 10) Refers certified Section 3 Residents to sub-recipients, contractors and subcontractors for training and employment opportunities.
- 11) Partners with the on-site social service providers at housing developments to regularly educate their low-income residents about the Section 3 Program, and subsequently recruit and certify Section 3 Residents.
- 12) Partners with occupational training centers to regularly educate their low-income participants on the Section 3 Program, and subsequently recruit and certify as Section 3 Residents.
- 13) Promotes Section 3 certification program at outreach events.
- 14) Maintains a registry of certified Section 3 Residents.
- 15) Administers and updates a Section 3 public Web page with program related ~~from which the public can obtain~~ information and downloadable forms.
- 16) Provides sub-recipients, contractors and subcontractors with the Section 3 job-site flyer used to notify passers-by of Section 3 employment opportunities.
- 17) Provides meeting facilities for sub-recipients, contractors and subcontractors to network with, conduct employment-related informational meetings, or interview certified Section 3 Residents.

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~~17)18)~~ Ensures that SDHC does not execute a contract—including contracts to execute option years—that does not incorporate by reference an approved Section 3 and Equal Opportunity Contracting Project Utilization Plan, or reference the waiver granted by SDHC.

## 910 Monitoring

SDHC monitors Section 3 compliance within its own operations; its sub-recipients, contractors and subcontractors. The frequency of monitoring of sub-recipients, contractors and subcontractors will be based upon the type and dollar value of the contract.

## 1011 Complaints

A. Any Section 3 Business Concern or Section 3 Resident (or authorized representative) seeking contracting, training or employment opportunities generated by Section 3 covered assistance may file a complaint in accordance with 24CFR135.76.

~~B.~~ SDHC will review all complaints and respond accordingly. If HUD determines that there is an allegation of noncompliance with Section 3, the complainant shall be referred to SDHC for resolution. SDHC will resolve complaints in accordance with 24CFR135.76(e).

~~B.~~

## Responding to Complaints

## 112 Reporting

~~For the purposes of determining the effectiveness of Section 3,~~ SDHC submits annual reports to HUD in accordance with 24CFR135.90.

## 123 Purpose

~~To provide business and employment opportunities for businesses and lower income persons located in the HUD-assisted project area. (a full citation to Section 3 regulations should be given here)~~

## 134 Nature of Program (strike this text and replace with no. 5 “Scope of Regulations” below)

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~~To the greatest extent possible, applicants, recipients, contractors, and subcontractors in a HUD-funded program must provide opportunities for training and employment to low and very low income residents of areas where HUD-assisted projects are located. They must also award contracts for work on any such project to business concerns located in or substantially owned by residents of that area.~~

~~1415 Application (these are broader than our programs...do we have to list them all?)~~

~~This program applies to projects receiving direct financial assistance in the area of housing, urban planning, development, redevelopment or renewal, public or community facilities, and new community development (except where the financial assistance available under such program is solely in the form of insurance or guaranty).~~

~~Projects, contracts and subcontracts connected with programs under Sections 235 and 236 of the National Housing Act, as well as any public housing programs, and which do not exceed \$500,000 in estimated cost are exempted from the requirements of this part, as is any subcontract of 450,000 or under on such projects or contracts in excess of \$500,000.~~

~~NOTE: This definition applies to Section 202 and Section 8 in the multifamily area. HUD Single Family programs are generally not affected.~~

~~1516 Implementation Requirements (strike this whole section? There is no Exhibit #9; Project implementation is repeated at no. 13 on page 6.~~

~~See Exhibit #9, "Requirements Under Section 3 of the Housing and Urban Development Act of 1968." Specific contractor/subcontractor obligations are noted on page 6. They include requirements to:~~

~~A. Develop an affirmative action plan for utilizing eligible businesses in the project area. The plan should outline:~~

~~1. A target number and estimated dollar amount to be awarded within each business/professional category; and,~~

~~2. A program to meet the goals.~~

~~B. Develop a program for utilization of lower income residents as trainees and employees on the project. The program should include:~~

~~1. A statement of work force needs by each trade; and,~~

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~~2. The maximum number of trainee and vacant employee positions to be filled by lower income residents.~~

~~C. Include the "Section 3 Contract Provisions" (Exhibit #10) in all contracts for work to be performed in the project area.~~

~~1617 Scope of Regulations (this is the same as no. 2 above, but with more detail. I would say delete no. 2 above and replace with this, renumbered as no. 2.)~~

~~Requires that programs providing direct financial assistance in aid of housing, urban planning development, redevelopment, or renewal, public or community facilities and new community development shall:~~

~~A. To the greatest extent feasible provide that opportunities for training and employment, arising in connection with planning and carrying out of any project assisted under any such programs be given to lower income persons residing in the area of the project (135.1, a, 1 & 2).~~

~~B. To the greatest extent feasible, award contracts for work to be performed in connection with a HUD funded project to business concerns which are located in or owned in substantial part by persons residing in the area of such project. "Business concerns" include, but are not limited to, individuals or firms doing business in the field of planning, consulting design, architecture, building construction, rehabilitation, maintenance or repair (135.1, 1, 1, ii).~~

## ~~2. Definitions~~

~~A. Applicant: Any entity seeking assistance for a project including but not limited to public bodies.~~

~~B. Contracting party: Any entity which contracts with a contractor in connection with Section 3 covered projects.~~

~~C. Contractor: Any entity which performs work in connection with Section 3 projects.~~

~~D. Department: Department of Housing and Urban Development (HUD)~~

~~E. Eligible Concerns: 1) Any individual or firm located within a Section 3 area, and which qualifies as small under the Small Business Administration. 2) Business concerns which are 51 percent or more owned by persons residing within Section 3 areas or business listed on HUD's~~

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~~registry as eligible because of their being socially or economically disadvantaged, and which qualify as small under the Small Business Administration.~~

~~F. Lower income resident of the area: Any individual who resides within the Section 3 area where family income does not exceed 90% of the median income, in the Standard Metropolitan Statistical Area or County, if not within a (SMSA).~~

~~G. Political Jurisdiction: A politically organized community having general government powers.~~

~~H. Recipient: Any entity which receives assistance for a project, including but not limited to local public bodies.~~

~~I. Section 3: Means Section 3 of the HUD Act of 1968, 12 U.S.C. 170Lu.~~

~~J. Section 3 Clause: The contract provisions set forth in 135.20(b).~~

~~K. Section 3 Covered Projects: Any nonexempt project assisted by any program administered by the Secretary of HUD in which loans, grants, subsidies, or other financial assistance are provided in and of housing, urban planning, development, redevelopment, or renewal, public or community facilities, and new community development.~~

~~Exempt projects are: Section 235-236 housing and any public housing programs which do not exceed \$500,000 in estimated total cost; any subcontract of \$50,000 or less on projects or contracts in excess of \$500,000.~~

~~L. Subcontractor: Any entity which has agreed to undertake a portion of the contractor obligations.~~

### ~~3.~~ Policy

#### ~~1718~~ Specific Requirements

~~For both recipient and contractor (or subcontractors) are set forth by project stage on the following pages:~~

#### ~~1819~~ Requirements

~~The recipient must certify to HUD that no contractual or other obligation (e.g., Charter, ordinances) will prevent the grantee from complying with Section 3 regulations (135.20(b), B).~~

### IMPLEMENTATION

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## ~~1920~~ 1. ~~Bid Negotiation Process~~

~~Both the recipient and the contractor/subcontractors have a responsibility to develop an affirmative action plan for utilizing eligible businesses in the project area. Specifically, the recipient must accomplish the following, prior to advertisement for bid on a project: (135.70).~~

~~A. Obtain the registry of eligible business concerns.~~

~~B. Estimate the approximate number and dollar value of all contracts proposed to be awarded to all business and professional concerns, within each business/professional category, over the duration of the project.~~

~~C. Analyze the information above in relation to the availability of eligible business concerns (registry) providing goods or services needed for the project. Then set a goal or target number and estimated dollar amount to be awarded to eligible area businesses within each business/professional category.~~

~~D. Outline a program to meet the goals established by:~~

~~1. Indicating steps which have or will be taken to secure the cooperation of contractors, subcontractors and unions in meeting the goals of the Affirmative Action Plan.~~

~~2. Taking other actions outlined at subsequent stages of the project (these will be noted as a part of the Affirmative Action Plan).~~

## 102. Bids

~~When a formal competitive bidding procedure is used, the recipient must advise prospective bidders of the general requirements of Section 3 in the invitation or solicitation of bid (e.g., in the advertisement, letter, etc.) (135.25(b)).~~

~~As part of the recipient's Affirmative Action Plan for utilization of eligible area businesses, the recipient must notify all appropriate businesses/contracting concerns in the project area of the invitation to bid, by:~~

~~A. Sending notices directly to all eligible business concerns in the registry of eligible business. (Those businesses not included in the registry should also be directly notified.)~~

~~B. Advertise in local media of invitation to bid.~~

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~~Bid packages for the project must contain the verbatim text of the portion of Section 3 set forth in 24 CFR 135.20(b).~~

~~As part of the recipient's Affirmative Action Plan, the bid package must also contain: (135.70).~~

~~A. Map of the project area.~~

~~B. The recipient's Affirmative Action Plan for utilization of eligible area businesses.~~

~~C. Requirement that bidders either adopt, as a minimum, the recipient's Affirmative Action Plan for eligible area businesses, or develop their own plan. (See Contractor Obligation, page 7). The recipient should evaluate a bidder's plan to see if it will accomplish stated goals.~~

~~(NOTE: It may not be feasible to require a plan from all prospective bidders. If not, the successful bidder should develop a plan, in consultation with the recipient, before the contract is awarded.)~~

### ~~113. Negotiation of Contracts (Leases, Small Purchases, etc)~~

~~As part of the recipient's Affirmative Action Plan for utilization of eligible area business, contracts that are typically let on a negotiated rather than a bid process, on a general basis by the recipient should also be let on a negotiated basis within a Section 3 project area (135.70(f)).~~

~~Negotiated contracts entail the same requirements of both the recipient and the contractor as contracts awarded through the bid process. The recipient must advise the contracting party of the requirements of Section 3, and Section 3 requirements must be included in the contract specifications (135.25(b)).~~

~~If the recipient leases, sells, or otherwise conveys land on which work is to be completed for a Section 3 covered project (e.g., Urban Renewal, Neighborhood Development Program), the buyer, lessee, etc. is under the same obligations as a contractor for work under Section 3 (135.35(e)).~~

~~The recipient must include in such contract the same verbatim text of Section 3 as is required on the bid package 24 CFR 135.20(b). (135.35(e)).~~

~~(The purchaser or lessee is relieved of Section 3 requirements upon satisfactory completion of all work to be performed under the terms of the redevelopment contract.)~~

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## ~~12.4.~~ Contract Award

~~Before awarding a contract (either bid or negotiated) to the prospective contractor, the recipient must have received and found acceptable the following items:~~

~~A. The contractor's Affirmative Action Plan for utilization of eligible area business (or agreement to adopt the recipient's Affirmative Action Plan, as a minimum.)~~

~~B. A preliminary statement of work force needs for the project, if known at this time, and a program for utilization of lower income area residents as trainees and employees on the project. (See specifics of this program under Contractor Obligations.)~~

~~C. If work force needs are not known at the time of contract award, contractor must supply this information and program for utilization of lower income area residents as trainees and employees prior to signing any contracts with subcontractors (135.25).~~

~~The recipient must actively cooperate with and assist contractors/subcontractors to comply with requirements of Section 3 by:~~

~~A. Cooperation and assistance in distributing and collecting forms.~~

~~B. Providing information and clarification on requirements of Section 3. (See General Recipient Requirements, for more detailed explanation.) SAME AS 14. A., AND B. NEXT PAGE.~~

~~D. The recipient must notify the Secretary of HUD, within 15 days of contract award, of steps taken (or to be taken) to utilize lower income area residents as trainees and employees and utilization of eligible area businesses on the project (135.120(b)).~~

## ~~13.~~ Project Implementation

~~The recipient must require the contractor/subcontractor to do the following throughout the duration of the project:~~

~~A. Undertake and document good faith efforts to hire lower income area residents as trainees and employees and to utilize area businesses. (See definition of good faith efforts under Contractor Requirements.)~~



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~~B. Maintain records of all applicants for trained or employee positions, those selected, etc., (including address, ethnic status, and other pertinent data).~~

~~C. Submit periodic reports to the recipient on composition of the trainee/employee work force and eligible businesses being utilized.~~

~~The recipient must monitor on-site periodically.~~

~~The recipient must notify contractor of violations (and attempt to help resolve them, if possible).~~

~~The recipient must lend assistance, as necessary, to the contractor/subcontractor in complying with the regulations of Section 3.~~

~~The recipient must maintain all records received from the contractor/subcontractor, and any other applicable records.~~

## ~~14~~ General Requirements

~~The recipient must actively cooperate and assist contractors/subcontractors to comply with the requirements of Section 3 through all phases of the project by:~~

~~A. Cooperation and assistance in distributing and collecting forms.~~

~~B. Providing information and clarification on requirements of Section 3, such as:~~

~~1. Providing map of boundaries of project area.~~

~~2. Providing definition of lower income area residents.~~

~~3. Making the registry of eligible area businesses available.~~

~~4. Providing lists of potential sources of employment in the area.~~

~~5. Any other assistance feasible and/or needed.~~

~~C. If the recipient will directly perform work on any HUD-funded project, using either permanent or temporary, part-time or full-time employees, it must meet all of other conditions required of contractors/subcontractors, and must provide HUD with all of the forms and assurances required of contractors/subcontractors (135.35(b)).~~

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~~D. The recipient must document, and have available for HUD inspection, its own good faith efforts, as well as those of the contractor in meeting Section 3 regulations (135.120).~~

~~E. The recipient must make public the fact that any area resident seeking training/employment or business opportunities with a contractor/subcontractor may file a grievance with HUD alleging noncompliance with Section 3. (Resident may file either for him/herself or someone similarly situated.)~~

~~F. The recipient may not enter into any contract with a contractor if notification from HUD has been received that the contractor has been found to be in violation of Section 3 requirements (135.30).~~

## ~~15 Contractor/Subcontractor Obligations\* Bid Negotiation Process~~

~~Each bidder on a project must either adopt the recipient's Affirmative Action Plan for the utilization of eligible area businesses, as a minimum, or should develop his/her own acceptable plan for same, to be submitted with the bid. The bidder's own Affirmative Action Plan should include, as a minimum: (135.70)~~

~~A. Setting forth the approximate number and dollar value of all contracts proposed to be awarded to businesses within each business/professional category over the duration of the project.~~

~~B. Analyzing the information above in relation to the availability of eligible area business/professional concerns (defined in HUD registry) providing needed goods and services.~~

~~C. Setting a goal or target number and estimated dollar amount to be awarded to eligible area businesses within each business/professional category.~~

~~D. Indicating steps which have been or will be taken to secure the cooperation of subcontractors, unions, etc., in meeting goals of the Affirmative Action Plan (e.g., letters to unions, requesting project area residents).~~

~~E. Indicating any other good faith efforts contractor deems feasible to meet the goals outlined for utilizing eligible area businesses, e.g., notifying appropriate area businesses of opportunities. (see Good Faith efforts, pp. 9-10).~~

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~~If the project is negotiated, the contracting party must develop the Affirmative Action Plan for utilization of eligible area businesses (such as described for bidders) prior to signing the contract.~~

## ~~16 Contract Award~~

~~Prior to signing a contract with the recipient, the contractor should have provided the following to appropriate recipient officials:~~

~~A. An Affirmative Action Plan for utilization of eligible businesses, acceptable to the recipient, and a stated agreement to carry out good faith efforts to implement the Affirmative Action Plan. (see Good Faith Efforts definition on pp.9-10). (135.25(a)).~~

~~B. A program for utilizing lower income area residents as trainees and employees to the greatest extent feasible, consisting of the following: (Sub Parts B and C)~~

~~1. A preliminary statement for work force needs (skilled, semi-skilled, unskilled and trainees) by each trade, if known at the time of signing the contract. If not known at that time, such information and program must be provided prior to contractor signing contracts with sub-contractors.~~

~~2. From this preliminary statement, the contractor (sub-contractor) must then determine the maximum number of trainee and employee positions available by the following method:~~

~~Trainees: (135.15) [\(Incomplete reference\)](#)~~

~~For building construction, the number of trainees should be that which can reasonably be used in each trade during each phase of the project, however, this number may not be less than the minimum number of trainees determined appropriate by the Secretary of Labor for each building construction trade or occupation.~~

~~For non-construction occupations (or building construction occupations where the Secretary of Labor has not set a ratio for trainees), the contractor must set the maximum number of trainees feasible for each occupation, and must provide justification to the City for this number.~~

~~Employees: (135.55) [\(Incomplete reference\)](#)~~

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~~Identify the number of employees needed (skilled, semi-skilled, unskilled), by occupational categories.~~

~~Identify the number of positions currently occupied by permanent employees by occupational categories.~~

~~Identify the number of vacant/potential positions by occupational categories.~~

~~Identify the number of vacant/potential positions by occupational categories. Establish a goal for the number of vacant positions to be filled by lower income area residents.~~

~~Agree to make a good faith effort (defined on p. 13) to fill all vacant trainee positions with lower income area residents to the greatest extent feasible, and to meet the goal set for filling vacant employee positions to the greatest extent feasible.~~

## ~~17~~ Award and Project Implementation

### Good Faith Efforts:

~~A. For utilization of lower income residents as both employees and trainees, the contractor/subcontractor should implement and document as a minimum the following good faith efforts: (135.50 and 135.60)~~

~~(1) The boundaries of the Section 3 project area.~~

~~(2) Attempt to recruit from the area the necessary number of eligible residents for trainees and employees through the following methods:~~

~~Advertise in local advertising media;~~

~~Place signs placed at proposed project site;~~

~~Notify contact with community organizations and public or private institutions located in or serving the project area (e.g., EDD, Urban League, SER) of proposed project;~~

~~Contact unions, if applicable, to request area residents;~~

~~Maintain a list of all area residents who have applied for trainee or employee positions, and, if otherwise eligible (income, skills needed as an employee, etc.), employ them, if a vacancy exists. If~~

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~~there is no vacancy, eligible area applicants shall be hired for the first available vacancy (in order of application).~~

~~□ If vacancies are filled immediately prior to beginning work on the project, the contractor must provide evidence that this was not an attempt to circumvent regulations (i.e., contractor should begin recruiting area residents for vacancies considerably in advance of beginning of project work.)~~

~~B. For utilization of eligible project area business/professional establishments, the following good faith efforts must be implemented and documented, as a minimum: (135.70(i))~~

~~(1) Develop an approved Affirmative Action Plan with goals for utilization of eligible area businesses (described previously).~~

~~Ensure that all appropriate eligible business concerns are notified of pending opportunities — both individually (preferable) and through locally utilized media.~~

~~(2) Advertise business opportunities to area businesses through signs placed at the proposed project site and through contacts with community organizations (such as mentioned for good faith efforts in recruiting utilized media.~~

~~(3) Any other efforts feasible to the contractor/subcontractor.~~

~~Maintain records of: (135.120)~~

~~A. All applicants for trainee/employee positions — those selected, etc.~~

~~B. Updated records of employee work force.~~

~~C. Area businesses contacted; businesses utilized.~~

~~D. Good faith efforts undertaken.~~

~~Submit periodic reports on utilization of area residents as trainees and employees and utilization of area businesses, as requested of the City and/or HUD.~~

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~~SEC 13.20 Assurance of compliance with regulations~~

~~A. Every contract or agreement for a grant, loan, subsidy, or other direct financial assistance in aid of housing, urban planning, development, redevelopment, or renewal, public or community facilities, and new community development, entered into by the Department of Housing and Urban Development with respect to a Section 3 recipient to carry out the provisions of Section 3, the regulations set forth in this part, and any applicable rules and orders of the Department issued there under prior to approval of its application for assistance for a Section 3 covered project.~~

~~(The following seems like what we do and should probably be moved up)~~

~~B. Every applicant, recipient, contracting party, contractor and subcontractor shall incorporate, or cause to be incorporated, in all contracts for work in connection with a Section 3 covered project, the following clause (referred to as a Section 3 Clause):~~

~~(1) The work to be performed under this contract is on a project assisted under a program providing direct federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the project.~~

~~(2) The parties to this contract will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.~~

~~(3) The contractor will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this~~

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~~Section 3 Clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.~~

~~(4) The contractor will include this Section 3 Clause in every subcontract for work in connection with the project and will, at the direction of the applicant for or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR 135. The contractor will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR 135 and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.~~

~~(5) Compliance with the provisions of Section 3, the regulations set forth in 24 CFR 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of the contract, shall be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements shall subject the applicant or recipient, its contractors and subcontractors, its successors, and assigns to those sanctions specified by the grant or loan agreement or contract through which Federal assistance is provided, and to such sanctions as are specified by 24 CFR 135.~~

Approved:

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

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History:  
6/8/1984

Revision Date:

References: Section 3 Implementation Plan  
Section 3 Administrative Guide  
Section 3 Contractor's Guide  
Section 3 Resident Certification FAQ



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Attachment "A"

## DEFINITIONS

Business concern means a business entity formed in accordance with State law, and which is licensed under State, county or municipal law to engage in the type of business activity for which it was formed.

Contractor means any entity which contracts to perform work generated by the expenditure of Section 3 covered assistance, or for work in connection with a Section 3 covered project.

New hires mean full-time employees for permanent, temporary or seasonal employment opportunities.

Section 3 business concern means a business concern, as defined:

1. That is 51 percent or more owned by section 3 residents; or
2. Whose permanent, full-time employees include persons, at least 30 percent of whom are currently section 3 residents, or within three years of the date of first employment with the business concern were section 3 residents; or
3. That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in paragraphs (1) or (2) in this definition of "section 3 business concern."

Section 3 Clause means the contract provisions set forth in 24CFR135.38.

Section 3 covered assistance means:

1. Public and Indian housing development assistance provided pursuant to section 5 of the 1937 Act;
2. Public and Indian housing operating assistance provided pursuant to section 9 of the 1937 Act;
3. Public and Indian housing modernization assistance provided pursuant to section 14 of the 1937 Act;
4. Assistance provided under any HUD housing or community development program that is expended for work arising in connection with:
  - a. Housing rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair and replacement);
  - b. Housing construction;
  - c. Other public construction project (which includes other buildings or improvements, regardless of ownership).

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**Section 3 covered contract** means a contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of Section 3 covered assistance, or for work arising in connection with a Section 3 covered project. “Section 3 covered contracts” do not include contracts awarded under HUD's procurement program, which are governed by the Federal Acquisition Regulation System (see 48 CFR, Chapter 1). “Section 3 covered contracts” also do not include contracts for the purchase of supplies and materials. However, whenever a contract for materials includes the installation of the materials, the contract constitutes a Section 3 covered contract. For example, a contract for the purchase and installation of a furnace would be a Section 3 covered contract because the contract is for work (i.e., the installation of the furnace) and thus is covered by Section 3.

**Section 3 covered project** means the construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards) and other public construction, which includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance.

**Section 3 resident** means:

1. A public housing resident; or
2. An individual who resides in the metropolitan area or nonmetropolitan county in which the section 3 covered assistance is expended, and who is:
  - a. A low-income person, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3(b)(2) of the 1937 Act defines this term to mean families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families;  
or
  - b. A very low-income person, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)) defines this term to mean families (including single persons) whose incomes do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

**Subcontractor** means any entity (other than a person who is an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor's obligation for the performance of

# POLICY

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NO: PO- PUR-373.03

SUBJECT: ~~Employment of Project Area Residents & Utilization of Project Area Businesses~~ Economic Opportunities for Low- and Very Low-Income Persons

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work generated by the expenditure of Section 3 covered assistance, or arising in connection with a Section 3 covered project.



# POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO-PUR-373.03

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## **1 Purpose**

To provide general policy information and direction regarding Section 3 of the Housing and Urban Development (HUD) Act of 1968 (12 U.S.C. 1701u) (section 3) implemented and regulated at Title 24, Part 135 of the Code of Federal Regulations.

## **2 Definitions**

See Attachment A.

## **3 Applicability**

Recipients and sub-recipients of certain HUD financial assistance (including contractors and subcontractors that perform on certain HUD-funded contracts/projects) are required to comply with Section 3 requirements. Ultimate beneficiaries (i.e. single-family homeowners) of HUD financial assistance are not required to comply.

### **A. Section 3 Covered Assistance**

Section 3 applies to training, employment, contracting, other economic opportunities resulting from the expenditure of the following HUD assistance (Section 3 covered):

- 1) Public and Indian Housing Assistance
  - a) Development assistance provided pursuant to section 5 of the U.S. Housing Act of 1937 (1937 Act);
  - b) Operating assistance provided pursuant to section 9 of the 1937 Act; and
  - c) Modernization assistance provided pursuant to section 14 of the 1937 Act.
- 2) Housing and Community Development Assistance
  - a) Housing rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair and replacement);
  - b) Housing construction; and
  - c) Other public construction.

### **B. Dollar Thresholds**

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- 1) Public and Indian Housing Assistance
  - a) Applies to recipients, notwithstanding the amount of financial assistance provided to the recipient.
  - b) Applies to all contractors and subcontractors regardless of the amount of the contract or subcontract.
  
- 2) Housing and Community Development Assistance
  - a) Applies to recipients of assistance for a Section 3 covered project for which the amount of the assistance exceeds \$200,000.
  - b) Applies to contractors and subcontractors performing on contracts or subcontracts that exceed \$100,000.

#### **4 Program Implementation**

SDHC's Section 3 implementation and compliance is an agency-wide effort that is led by the Section 3 Unit. The following operational guides are used to facilitate Section 3 implementation and compliance and are located on the SDHC website in the Business Section under Section 3:

- A. Section 3 Implementation Plan
- B. Section 3 Administrative Guide
- C. Section 3 Contractor's Guide
- D. Section 3 Resident Certification FAQ

#### **5 Responsibilities**

SDHC's responsibility includes, but is not limited to:

- Implementing procedures to notify Section 3 Residents of training and employment opportunities and Section 3 Business Concerns of contracting opportunities generated by Section 3 covered assistance;
- Notifying bidders and proposers of Section 3 requirements, and including the Section 3 Clause (24CFR135.38) in all solicitations and contracts;
- Facilitating the training and employment of Section 3 Residents and the award of contracts to Section 3 Business Concerns to reach the numerical goals for Section 3;

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- Assisting and cooperating with HUD in obtaining compliance of contractors and subcontractors, and refrain from entering into any contract with a contractor where SDHC has notice or knowledge that the contractor has been found in violation of 24CFR135;
- Documenting actions taken to comply with Section 3 requirements, the results of actions taken and impediments, if any.

## **6 Compliance**

SDHC, its sub-recipients, contractors and subcontractors are required to commit to achieving the Section 3 numerical goals to the greatest extent feasible.

### A. Numerical Goals

- 1) Employ Section 3 Residents as 30 percent of all new hires during a one-year period;
- 2) Award Section 3 Business Concerns at least 10 percent of the total contract dollar amount of construction or rehabilitation services; and
- 3) Award Section 3 Business Concerns at least 3 percent of the total contract dollar amount for non-construction services.

## **7 Noncompliance**

- A. SDHC has the burden of demonstrating why it was not feasible to meet the Section 3 numerical goals. Such justification may include impediments encountered despite actions taken; and indicate other economic opportunities which were provided in efforts to comply.
- B. Sub-recipients, contractors and subcontractors that do not commit to achieving the Section 3 numerical goals are noncompliant.
- C. Noncompliant sub-recipients, contractors and subcontractors have an opportunity to do business with SDHC by submitting a Section 3 and Equal Opportunity Contracting Project Utilization Plan approved by the SDHC Section 3 Unit.
- D. Noncompliance status does not apply when there are no opportunities available for subcontracting and to hire new employees.

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## **8 Section 3 Business Concern Opportunities**

### A. Contracting

To facilitate contract awards to Section 3 Business Concerns, all Section 3 covered Requests for Proposal (RFP), Invitations for Bid (IFB), Invitations for Quotes (IFQ), Notices of Funding Availability (NOFA), grants, agreements, contracts (including contracts to exercise option years), etc. will include the following:

- 1) Section 3 Language
  - a) Standard language that provides an overview of Section 3, the requirements for proposers/bidders and awardees.
- 2) Section 3 and Equal Opportunity Contracting and Project Utilization Plan
  - a) Use to identify, evaluate and approve proposers/bidders utilization of Section 3 Business Concerns and Section 3 Residents;
  - b) Establish a baseline to monitor and measure contractors' and subcontractors' compliance during contract performance; and
  - c) Document proposers'/bidders' Section 3 outreach efforts.
- 3) Approved Plan
  - a) Contracts (including contracts to execute options) will not be executed that do not incorporate by reference an approved plan to utilize Section 3 Business Concerns and/or Section 3 Residents, or reference the waiver granted by SDHC; and
  - b) The Section 3 Unit's review, evaluation and approval of the Section 3 and Equal Opportunity Contracting and Project Utilization Plans of those proposers/bidders will be part of the Procurement Department's final review and evaluation process.

### B. Section 3 Clause Requirement

All Section 3 covered contracts shall include the entire clause set forth at 24CFR135.38.

### C. Certification Program

- 1) SDHC administers a Section 3 certification program for businesses that qualify as Section 3 Business Concerns. Applicants complete and submit an application that collects industry data, licenses/certifications held and financial capacity. A business must be located in the County of San Diego in order to apply. The Section 3 Unit reviews and approves applications.

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- 2) SDHC maintains a list of certified Section 3 Business Concerns to refer for contracting opportunities; identifies and addresses training needs of Section 3 Business Concerns; and collects, tracks and reports on the business development of Section 3 Business Concerns.

#### D. Efforts to Award Contracts to Section 3 Business Concerns

To increase opportunities for Section 3 Business Concerns, SDHC undertakes the following efforts on Section 3 covered projects:

- 1) Ensures Section 3 Language and the Section 3 and Equal Opportunity Contracting Project Utilization Plan are included in all solicitations (RFPs, IFBs, IFQs, NOFAs and others – both informal and formal).
- 2) Requires all proposals/bids to include a completed Section 3 and Equal Opportunity Contracting Project Utilization Plan, with documentation verifying Section 3 outreach efforts.
- 3) Deems proposals/bids that do not contain the completed Section 3 and Equal Opportunity Contracting Project Utilization Plan as “nonresponsive.”
- 4) Does not execute agreements or contracts (including a contract to execute option years) that do not incorporate, by reference, an approved Section 3 and Equal Opportunity Contracting Project Utilization Plan, or waiver granted by SDHC.
- 5) Ensures all contracts include the Section 3 Clause (24CFR135.38).
- 6) Considers, at its discretion, reducing insurance and/or bonding requirements on informal solicitations valued less than \$100,000.
- 7) Requests quotes from certified Section 3 Business Concerns on informal solicitations less than \$10,000 and in accordance with SDHC’s Procurement Policy.
- 8) Requests at least one quote from certified Section 3 Business Concerns on informal solicitations valued at more than \$10,000, but less than \$100,000, and in accordance with SDHC’s Procurement Policy.

To increase opportunities for Section 3 Business Concerns overall, SDHC:



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- 1) Organizes networking or pre-proposal/pre-bid events that afford Section 3 Business Concerns the opportunity to meet with contractors and subcontractors.
- 2) Promotes the Section 3 certification program at outreach events.
- 3) Maintains a registry of certified Section 3 Business Concerns. Disseminates registry within SDHC; and to sub-recipients, contractors and subcontractors.
- 4) Attends conferences for small, women- and/or minority-owned businesses to identify Section 3 Business Concerns.
- 5) Notifies Section 3 Business Concerns of Section 3 covered contracting and subcontracting opportunities with SDHC, its sub-recipients, contractors and subcontractors; and with public agencies and corporations.
- 6) Develops and/or presents business development workshops for Section 3 Business Concerns, i.e., business plan writing, certifications, financing, insurance, bonding and marketing.
- 7) Collaborates with the Public Agency Consortium (PAC) and the U.S. Small Business Administration to educate the local small business community about Section 3.
- 8) Administers and updates a Section 3 public Web page with program related information and downloadable forms.

## **9 Section 3 Resident Opportunities**

### **A. Certification Program**

- 1) SDHC administers a Section 3 certification program for individuals that qualify as Section 3 Residents. Applicants complete and submit application that collects data regarding their work experience, skills and training needs. An individual must reside in the County of San Diego in order to apply. The Section 3 Unit reviews and approves applications.
- 2) SDHC maintains a list of certified Section 3 Residents to refer for training and employment opportunities; identify and address the training needs; and collect, track and report on the development of Section 3 Residents.

### **B. Efforts to Offer Training and Employment**

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To increase training and employment opportunities for Section 3 Residents, SDHC:

- 1) Utilizes the Achievement Academy to provide job training assistance (i.e., résumé writing, interviewing techniques, etc.) to eligible Section 3 Residents.
- 2) Provides micro-enterprise training to eligible Section 3 Residents.
- 3) Recruits Section 3 Residents for employment with SDHC.
- 4) Incorporates Section 3 hiring procedures into the personnel policy.
- 5) Provides Section 3 information on the SDHC Careers website.
- 6) Encourages SDHC's hiring managers to review résumés from Section 3 Residents.
- 7) Posts job vacancy announcement on CalJobs, the California Employment Development Department's online job board.
- 8) Conducts "How to Obtain Employment" workshops.
- 9) Notifies certified Section 3 Residents of training and employment opportunities.
- 10) Refers certified Section 3 Residents to sub-recipients, contractors and subcontractors for training and employment opportunities.
- 11) Partners with the on-site social service providers at housing developments to regularly educate their low-income residents about the Section 3 Program, and subsequently recruit and certify Section 3 Residents.
- 12) Partners with occupational training centers to regularly educate their low-income participants on the Section 3 Program, and subsequently recruit and certify as Section 3 Residents.
- 13) Promotes Section 3 certification program at outreach events.
- 14) Maintains a registry of certified Section 3 Residents.
- 15) Administers and updates a Section 3 public Web page with program related information and downloadable forms.

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- 16) Provides sub-recipients, contractors and subcontractors with the Section 3 job-site flyer used to notify passers-by of Section 3 employment opportunities.
- 17) Provides meeting facilities for sub-recipients, contractors and subcontractors to network with, conduct employment-related informational meetings, or interview certified Section 3 Residents.
- 18) Ensures that SDHC does not execute a contract—including contracts to execute option years—that does not incorporate by reference an approved Section 3 and Equal Opportunity Contracting Project Utilization Plan, or reference the waiver granted by SDHC.

## **10** Monitoring

SDHC monitors Section 3 compliance within its own operations; its sub-recipients, contractors and subcontractors. The frequency of monitoring of sub-recipients, contractors and subcontractors will be based upon the type and dollar value of the contract.

## **11** Complaints

- A. Any Section 3 Business Concern or Section 3 Resident (or authorized representative) seeking contracting, training or employment opportunities generated by Section 3 covered assistance may file a complaint in accordance with 24CFR135.76.
- B. SDHC will review all complaints and respond accordingly. If HUD determines there is an allegation of noncompliance with Section 3, the complainant shall be referred to SDHC for resolution. SDHC will resolve complaints in accordance with 24CFR135.76(e).

## **12** Reporting

SDHC submits annual reports to HUD in accordance with 24CFR135.90.

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**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

History:  
6/8/1984

References: Section 3 Implementation Plan  
Section 3 Administrative Guide  
Section 3 Contractor's Guide  
Section 3 Resident Certification FAQ

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## Attachment "A"

### DEFINITIONS

**Business concern** means a business entity formed in accordance with State law, and which is licensed under State, county or municipal law to engage in the type of business activity for which it was formed.

**Contractor** means any entity which contracts to perform work generated by the expenditure of Section 3 covered assistance, or for work in connection with a Section 3 covered project.

**New hires** mean full-time employees for permanent, temporary or seasonal employment opportunities.

**Section 3 business concern** means a business concern, as defined:

1. That is 51 percent or more owned by section 3 residents; or
2. Whose permanent, full-time employees include persons, at least 30 percent of whom are currently section 3 residents, or within three years of the date of first employment with the business concern were section 3 residents; or
3. That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in paragraphs (1) or (2) in this definition of "section 3 business concern."

**Section 3 Clause** means the contract provisions set forth in 24CFR135.38.

**Section 3 covered assistance** means:

1. Public and Indian housing development assistance provided pursuant to section 5 of the 1937 Act;
2. Public and Indian housing operating assistance provided pursuant to section 9 of the 1937 Act;
3. Public and Indian housing modernization assistance provided pursuant to section 14 of the 1937 Act;
4. Assistance provided under any HUD housing or community development program that is expended for work arising in connection with:
  - a. Housing rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair and replacement);
  - b. Housing construction;
  - c. Other public construction project (which includes other buildings or improvements, regardless of ownership).

**Section 3 covered contract** means a contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of Section 3 covered

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assistance, or for work arising in connection with a Section 3 covered project. “Section 3 covered contracts” do not include contracts awarded under HUD's procurement program, which are governed by the Federal Acquisition Regulation System (see 48 CFR, Chapter 1). “Section 3 covered contracts” also do not include contracts for the purchase of supplies and materials. However, whenever a contract for materials includes the installation of the materials, the contract constitutes a Section 3 covered contract. For example, a contract for the purchase and installation of a furnace would be a Section 3 covered contract because the contract is for work (i.e., the installation of the furnace) and thus is covered by Section 3.

**Section 3 covered project** means the construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards) and other public construction, which includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance.

**Section 3 resident** means:

1. A public housing resident; or
2. An individual who resides in the metropolitan area or nonmetropolitan county in which the section 3 covered assistance is expended, and who is:
  - a. A low-income person, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3(b)(2) of the 1937 Act defines this term to mean families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families; or
  - b. A very low-income person, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)) defines this term to mean families (including single persons) whose incomes do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

**Subcontractor** means any entity (other than a person who is an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor's obligation for the performance of work generated by the expenditure of Section 3 covered assistance, or arising in connection with a Section 3 covered project.



# POLICY

**EFFECTIVE DATE:** 3/6/1986

**NO:** PO-RED-312.01

**SUBJECT:** SECURITY POLICY

Page 1 of 2

## BACKGROUND

The provision of a reasonably safe and secure environment for residents of Commission owned and/or managed housing is prescribed within this policy as the basis for a comprehensive security program. The Commission cannot control all aspects of criminal activity within or surrounding its properties. Public law enforcement agencies have primary responsibility for protection of citizens. It is also recognized that resident involvement is paramount to an effective security program.

## PURPOSE

To summarize security measures appropriate for a public housing authority in management of residential properties. The Commission does not enforce local, state or federal laws relative to criminal action, but performs property management functions in a manner designed to reduce the opportunity for crime to occur and respond appropriately when it does.

## POLICY

The Commission shall assess and prioritize security needs for each residential property, considering relevant characteristics of the residents and surrounding community, social service needs of the residents, geographic location, configuration of buildings and landscape and know criminal activity in the neighborhood. Residents shall be encouraged to identify concerns.

Law enforcement experts shall be fully utilized for physical site needs assessment and education of residents in their ability and responsibility to address security needs. A cooperative working relationship between residents, police and staff shall be encouraged through community relations activities and development of a specific action plan for locations experiencing a high level of criminal activity.

The Commission shall take appropriate action on a lease violation relative to criminal activities of residents or guests of residents, to include eviction where appropriate.

Specific security measures dictated by needs assessment and allowed by available funding shall include, but not be limited to:

- a. Resident education programs and community events
- b. Coordination of neighborhood watch organizations

# POLICY

**EFFECTIVE DATE:** 3/6/1986  
**SUBJECT:** SECURITY POLICY

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- c. Upgrade of exterior lighting
- d. Upgrade the security of doors and windows
- e. Provision of perimeter fencing
- f. Provision of deterrent exterior landscape
- g. Provision of on-site management staff
- h. Request for enhanced public service law enforcement efforts

Use of a private security guard service is not the front line approach to curtailing criminal activity. However, following due consideration of the above-noted security measures, the Board of Commissioners may determine that extraordinary circumstances warrant contracting for guard service for a designated period of time at a specific location.

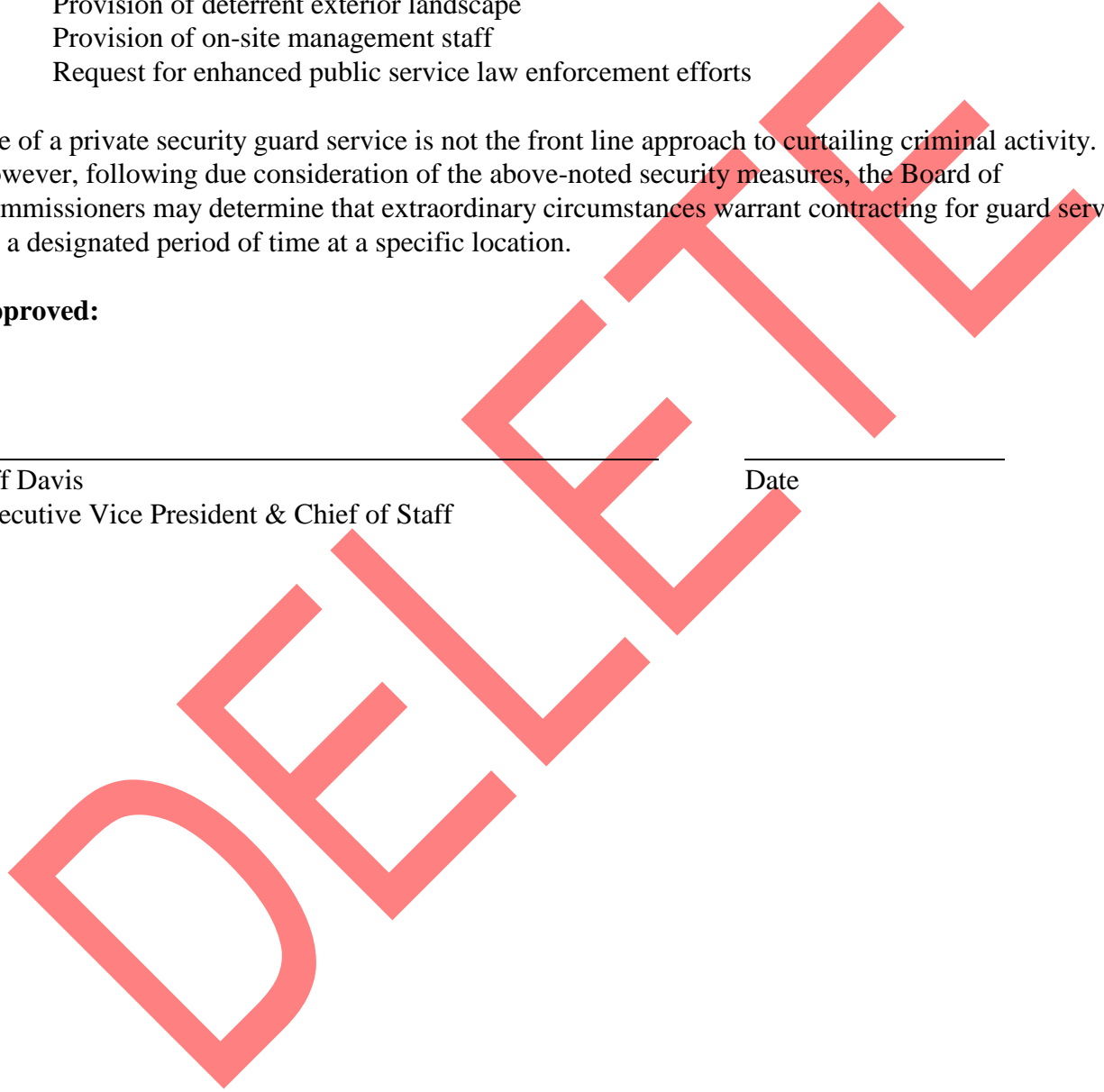
**Approved:**

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Jeff Davis  
Executive Vice President & Chief of Staff

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Date







# POLICY

**EFFECTIVE DATE:** November 28, 1995

**NO:** PO-FS-303.02

**SUBJECT:** SAFETY POLICY

Page 1 of 2

## 1. Purpose

- 1.1. To promote safety and the elimination of work related accidents causing injury to employees and damage to property.
- 1.2. To promote safety and the elimination of accidents occurring on Housing Commission owned and/or managed residential properties, causing injury to residents and damage to residential property.
- 1.3. To provide clarification of responsibilities and goals to ensure the Housing Commission provides a safe work/living environment.
- 1.4. To support the Housing Commission's Risk Management Program, including a written injury prevention program as required by the Division of Industrial Relations, California Code of Regulations, Title 8.
- 1.5. To promote safety of employees and members of the public against threats of any type in the work place.

## 2. Policy

4.1 The Housing Commission recognizes that all employees have the right to a safe work environment and all residents have the right to a safe living environment. The responsibility for ensuring safety is shared by all levels of supervision, employees and residents.

4.2 The personal safety and health of each employee and resident will be given precedence over operating productivity whenever necessary. To the greatest extent possible, the Housing Commission will provide all mechanical and physical facilities required for personal safety and health.

4.3 The Housing Commission will guard against incidents as follows:

- A. Eliminate exposure to unsafe conditions through protection of employees and residents from hazards in the work/living environment.
- B. Eliminate performance of unsafe practices through effective training, supervision and incident investigation.

# POLICY

**EFFECTIVE DATE:** November 28, 1995

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**SUBJECT:** SAFETY POLICY

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C. Implement a Threat Management and Zero Tolerance administrative regulation to deal with threats in the work place, implied or direct, made by an employee or member of the public.

4.4 This Policy shall be promulgated by administrative regulations contained within the Housing Commission's Risk Management Program, and through a Safety Review Committee representative of all departmental staff.

**Approved:**

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Jeff Davis  
Executive Vice President & Chief of Staff

Date

**History:**

7/15/91

**Revision Date:**

11/28/95

DELETE-SEE ATTACHED



# **San Diego Housing Commission**

**August 2014**

## **Injury and Illness Prevention Program (IIPP)**

### **Policy**

The San Diego Housing Commission (SDHC) has established this written Injury and Illness Prevention Program (IIPP) in accordance with Title 8, California Code of Regulations, Section 3203, of the General Industry Safety Orders.

To be successful our program must embody proper attitudes toward injury and illness prevention on the part of directors, managers, supervisors, and employees. It also requires cooperation in all safety and health matters, not only between supervisor and employee, but also between co-workers. Only through such a cooperative effort can a safety program in the best interest of all be established and preserved. All employees are required to comply with our safety and health policies and practices. This includes employees at every level and in all positions.

This IIPP includes the following elements:

- Responsibility and Authority
- Compliance
- Communication
- Hazard Assessment
- Hazard Correction
- Accident/Incident Investigation
- Training and Instruction
- Record Keeping

### **Responsibility and Authority**

The Safety Officer is the designated IIPP Administrator and has the authority and responsibility for implementing and maintaining this IIPP.

Directors, supervisors and managers are responsible for implementing and maintaining the IIPP in their work areas and for answering employee questions about the IIPP.

Employees are responsible for understanding and following the requirements of the IIPP and for asking questions when direction is unclear.

Employees will immediately notify their director or supervisor when an injury or illness occurs on the job.

Serious occupational injuries and illnesses must be reported to Cal/OSHA within eight hours after they have become known to an agency representative. This includes, but is not limited to, permanent disfigurement or hospitalization. Cal/OSHA notification will be the responsibility of the Human Resources Department.

A copy of our IIPP is available for review on SmartHub.

## **Compliance**

All employees, including members of the SDHC management team, are responsible for using safe work practices; following all verbal or written safety directives, policies, and procedures; and assisting in maintaining a safe work environment.

The system to ensure all employees comply with these practices includes the following:

- Informing employees of the requirements within our IIPP in a readily understandable language;
- Training all employees on general safety policies, rules, and work practices;
- Positively recognizing employees who perform safe and healthful work practices;
- Providing additional training to employees whose safety performance is deficient; and
- Disciplining employees for failure to comply with safe and healthful work practices according to the SDHC disciplinary action policy.

## **Communication**

Management is responsible for communicating with all employees about occupational safety and health in a form readily understandable by all employees. Our communication system encourages all employees to inform management about workplace hazards without fear of reprisal. Employees can report workplace hazards anonymously by submitting their concern to the Human Resources Department through the interoffice mail system.

Our communication system includes:

- New employee orientation including a discussion of safety and health policies and procedures;
- Review of our IIPP;
- Safety training programs;
- Regularly scheduled safety meetings;
- Posted or distributed safety information;
- Safety Committee meetings; and
- [Safety@SDHC.org](mailto:Safety@SDHC.org) email address for reporting of safety concerns.

## **Hazard Assessment**

Periodic facility inspections will be conducted to evaluate physical hazards, use of hazardous materials, and safe work practices. The inspections may be performed by safety committee members, management personnel or designated employees.

In addition to the periodic inspections, inspections will be conducted as required in the following situations:

- When we initially established our IIPP;
- When new substances, processes, procedures, or equipment that present potential new occupational safety and health hazards are introduced into our workplace;
- When new, previously unidentified hazards are recognized;
- When occupational injuries and illnesses occur; and
- Whenever workplace conditions, agency policies, or equipment manufacturers require an inspection.

## **Hazard Correction**

When unsafe or unhealthy work conditions, practices, or procedures are observed or discovered, they will be corrected in a timely manner based on the severity of the hazards. When an imminent hazard exists that cannot be immediately corrected, the exposed employees will be removed from the immediate hazard except those needed to correct the condition and to address security issues. Employees who are required to correct the hazardous condition will be provided with the necessary protection.

## **Accident/Incident Investigation**

Management will conduct accident investigations for all workplace injuries, regardless of their severity. Procedures for investigating workplace accidents and hazardous substance exposures include:

- Interviewing injured employees and witnesses;
- Examining the workplace for factors associated with the accident/exposure;
- Determining the cause(s) of the accident/exposure;
- Taking corrective action to prevent the accident/exposure from reoccurring;
- Recording the findings and actions taken; and
- Follow-up training as needed.

## **Training and Instruction**

All employees will participate in safety training on general and job-specific hazards and safe work practices. Management will be trained on all health and safety hazards to which employees under their immediate direction and control may be exposed.

Training and Instruction will be provided when:

- The IIPP is first established;
- New employees are hired;
- Employees are reassigned to a new area or task with in which they have no prior training;
- New substances, processes, procedures or equipment are introduced and represent a new hazard; and
- Whenever the employer is made aware of a new or previously unrecognized hazard

Training topics may include, but are not limited to, the following subjects:

- General safety
- Fire prevention
- Emergency action procedures
- Office ergonomics
- Housekeeping
- Safe lifting
- Defensive driving
- Workplace violence prevention
- Job specific training

## **Record Keeping**

All the following IIPP documentation will be maintained a minimum of three years:

- Safety training records for each employee, including the employee's name, training dates, type of training, and training providers;
- Inspection records, including the person(s) conducting the inspection, the unsafe conditions and work practices identified, and corrective action,;
- Accidents, illnesses, and near-miss inspection records that identify the root cause(s) and corrective action taken; and
- Annual program reviews.

OSHA 300 logs will be maintained on file for 5 years following the end of the calendar year that these records cover. .



# POLICY

EFFECTIVE DATE: TBD

NO: PO-PUR-373.04

SUBJECT: **Disposition of Excess, Lost, Stolen or Abandoned Property Other Than Real Estate**

Page 1 of 3

## 1 Purpose

1.1 To establish guidelines and procedures regulating disposition of excess, lost, stolen or abandoned property as specified by the Department of Housing and Urban Development (Government) and the Annual Contributions Contract.

## 2 Definitions

a. Personal Property means any tangible or intangible property, except for real estate, that may be subject to ownership.

## 3 Policy

### 3.1 Disposition of Excess Property

A. The San Diego Housing Commission ~~of the City of San Diego~~ may at any time determine any personal property and, with the approval of the Government, ~~any real property~~ which is no longer useful or necessary to the development or operation of any program, to be excess to the needs of such program.

B. ~~Excess real property shall be sold as soon as practicable at public sale for not less than the fair value thereof, unless other disposition or method of disposition is approved by the Government when required. The proceeds of any such sale or other disposition of any real property constituting a part of or acquired in connection with any program, shall be deposited in the appropriate housing program general fund. This policy does not pertain to the disposition of real estate. The Disposition of real estate is subject to the Policy for Sale and/or Disposition of Real Estate, PO-RED-300.104.~~

C. Personal property shall not be sold or exchanged for less than its fair value. Personal property of the estimated fair value of \$1,000 or more which is to be sold to other than a public body for a public use shall be deposited in the appropriate general fund. Sales of \$1,000 or more and the award of such contract shall be made only after advertising for formal bids. Such advertising shall be at least 15 days prior to award of the sales contract and shall be by advertisement in newspapers or circular letters to prospective purchasers. In addition, notices shall be posted in public places. Bids shall be opened publicly at the time and place specified in the advertisement. A tabulation of all bids received shall be prepared and filed with the contract as part of the permanent record. The award shall be



# POLICY

EFFECTIVE DATE: TBD

NO: PO- PUR-373.04

SUBJECT: **Disposition of Excess, Lost, Stolen or Abandoned Property Other Than Real Estate**

Page 2 of 3

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made to the highest bidder as to price. The sale shall be documented by an appropriate bill of sale.

- D. For sales from \$100 to \$1,000, the ~~Executive Director~~President and Chief Executive Officer, or his/her designee, shall solicit informal bids orally, by telephone or in writing from known prospective purchasers and a tabulation of all such bids received shall be prepared and retained as part of the permanent record. The sale shall be documented by an appropriate bill of sale.
- E. If the estimated sales value of the personal property offered for sale is less than \$100, the ~~Executive Director~~President and Chief Executive Officer, or his/her designee, may negotiate a sale in the open market after such informal inquiry as he/she considers necessary to ensure a fair return to the Housing Commission. The sale shall be documented by an appropriate bill of sale.
- F. The sale of personal property to a public body for public use may be negotiated at its fair value subject to prior approval of the Housing Commission. The transfer shall be documented by an appropriate bill of sale.
- G. Sales of ~~\$25,100,000~~ or less shall be approved by the ~~Executive Director~~President and Chief Executive Officer, or his/her designee. Sales of over ~~\$25,100,000~~ shall be approved by the Board of Commissioners.
- H. If the personal property has no scrap or salvage value and a purchaser cannot be found, a statement shall be prepared listing the prospective bidders solicited and all other efforts made to sell the property, together with recommendations as to the manner of disposition. This, together with complete documentation in support of the destruction, abandonment, or donation shall be retained as part of the permanent records.
- I. No employee shall be allowed to participate in or have an interest in the acquisition of any real property, equipment or other property offered for sale by the Housing Commission.

### 3.2 Property Lost, Stolen, Destroyed or Abandoned

- A. When items of nonexpendable equipment are lost, stolen, destroyed or abandoned, a review group, designated by the ~~Executive Director~~President and Chief Executive Officer, shall evaluate such loss, theft, destruction or abandonment. In cases of loss, theft, or destruction, the review group should obtain all the facts relating to each case and determine:
  - (1) whether the person who had custody of the property is to be held responsible for the loss, theft or destruction, or is to be relieved of responsibility; and,

# POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO- PUR-373.04

**SUBJECT:** Disposition of Excess, Lost, Stolen or Abandoned Property **Other Than Real Estate**

Page 3 of 3

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(2) the amount, if any, such person will be required to reimburse the Commission if held responsible for the loss.

B. The findings, in all such cases, should be in the form of a written statement setting forth the name of the person who had custody of the property; a statement that the person was or was not in fault and therefore, should or should not be held responsible for the amount to be charged (only if the person is held responsible); a statement that the responsible employee has had a reasonable opportunity to be heard; and a statement as to what disposition has been made of the damaged property, if applicable. In cases where items of nonexpendable equipment are abandoned, the authorized official or review group should first ascertain whether or not such items of equipment are completely worn out or have become obsolete or whether or not such items of equipment have resale or trade-in value. Such review and finding are hereinafter referred to as "survey actions". If possible, the officials designated to perform survey actions should not include any official or employee who is responsible for the use of the property or for its accountability.

3.3 Anything to the contrary hereinabove notwithstanding, the disposition of excess, lost, stolen, or abandoned property shall be accomplished in a manner consistent with applicable laws of the State of California. All transactions regarding the disposition of excess, lost, stolen or abandoned property over ~~\$25~~\$100,000 shall not occur without prior approval of the Housing Commission Board of Commissioners. Also, no Housing Commission Commissioners and/or employees shall be allowed to participate in or have an interest in the receipt of any disposition of property.

**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

**History:**  
6/22/1979

**Revision Date:**  
8/22/1994



# POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO-PUR-373.04

**SUBJECT:** **Disposition of Excess, Lost, Stolen or Abandoned Property Other Than Real Estate**

Page 1 of 3

## **1** Purpose

To establish guidelines and procedures regulating disposition of excess, lost, stolen or abandoned property as specified by the Department of Housing and Urban Development (Government) and the Annual Contributions Contract.

## **2** Definitions

Personal Property means any tangible or intangible property, except for real estate, that may be subject to ownership.

## **3** Policy

### **3.1** Disposition of Excess Property

- A. The San Diego Housing Commission (“Housing Commission”) may at any time determine any personal property and, with the approval of the Government which is no longer useful or necessary to the development or operation of any program, to be excess to the needs of such program.
- B. This policy does not pertain to the disposition of real estate. The Disposition of real estate is subject to the Policy for Sale and/or Disposition of Real Estate, PO-RED-300.104.
- C. Personal property shall not be sold or exchanged for less than its fair value. Personal property of the estimated fair value of \$1,000 or more which is to be sold to other than a public body for a public use shall be deposited in the appropriate general fund. Sales of \$1,000 or more and the award of such contract shall be made only after advertising for formal bids. Such advertising shall be at least 15 days prior to award of the sales contract and shall be by advertisement in newspapers or circular letters to prospective purchasers. In addition, notices shall be posted in public places. Bids shall be opened publicly at the time and place specified in the advertisement. A tabulation of all bids received shall be prepared and filed with the contract as part of the permanent record. The award shall be made to the highest bidder as to price. The sale shall be documented by an appropriate bill of sale.

# POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO- PUR-373.04

**SUBJECT:** **Disposition of Excess, Lost, Stolen or Abandoned Property Other Than Real Estate**

Page 2 of 3

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- D. For sales from \$100 to \$1,000, the President and Chief Executive Officer of the Housing Commission (“CEO”), or his/her designee, shall solicit informal bids orally, by telephone or in writing from known prospective purchasers and a tabulation of all such bids received shall be prepared and retained as part of the permanent record. The sale shall be documented by an appropriate bill of sale.
- E. If the estimated sales value of the personal property offered for sale is less than \$100, the CEO, or his/her designee, may negotiate a sale in the open market after such informal inquiry as he/she considers necessary to ensure a fair return to the Housing Commission. The sale shall be documented by an appropriate bill of sale.
- F. The sale of personal property to a public body for public use may be negotiated at its fair value subject to prior approval of the Housing Commission. The transfer shall be documented by an appropriate bill of sale.
- G. Sales of \$100,000 or less shall be approved by the CEO, or his/her designee. Sales of over \$100,000 shall be approved by the Board of Commissioners of the Housing Commission (“Board”).
- H. If the personal property has no scrap or salvage value and a purchaser cannot be found, a statement shall be prepared listing the prospective bidders solicited and all other efforts made to sell the property, together with recommendations as to the manner of disposition. This, together with complete documentation in support of the destruction, abandonment, or donation shall be retained as part of the permanent records.
- I. No employee shall be allowed to participate in or have an interest in the acquisition of any real property, equipment or other property offered for sale by the Housing Commission.

### 3.2 Property Lost, Stolen, Destroyed or Abandoned

- A. When items of nonexpendable equipment are lost, stolen, destroyed or abandoned, a review group, designated by the CEO, shall evaluate such loss, theft, destruction or abandonment. In cases of loss, theft, or destruction, the review group should obtain all the facts relating to each case and determine:

# POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO- PUR-373.04

**SUBJECT:** **Disposition of Excess, Lost, Stolen or Abandoned Property Other Than Real Estate**

Page 3 of 3

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- (1) whether the person who had custody of the property is to be held responsible for the loss, theft or destruction, or is to be relieved of responsibility; and,
- (2) the amount, if any, such person will be required to reimburse the Housing Commission if held responsible for the loss.

B. The findings, in all such cases, should be in the form of a written statement setting forth the name of the person who had custody of the property; a statement that the person was or was not in fault and therefore, should or should not be held responsible for the amount to be charged (only if the person is held responsible); a statement that the responsible employee has had a reasonable opportunity to be heard; and a statement as to what disposition has been made of the damaged property, if applicable. In cases where items of nonexpendable equipment are abandoned, the authorized official or review group should first ascertain whether or not such items of equipment are completely worn out or have become obsolete or whether or not such items of equipment have resale or trade-in value. Such review and finding are hereinafter referred to as "survey actions". If possible, the officials designated to perform survey actions should not include any official or employee who is responsible for the use of the property or for its accountability.

3.3 Anything to the contrary hereinabove notwithstanding, the disposition of excess, lost, stolen, or abandoned property shall be accomplished in a manner consistent with applicable laws of the State of California. All transactions regarding the disposition of excess, lost, stolen or abandoned property over \$100,000 shall not occur without prior approval of the Board. Also, no Housing Commission Commissioners and/or employees shall be allowed to participate in or have an interest in the receipt of any disposition of property.

**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

**History:**  
6/22/1979

**Revision Date:**  
8/22/1994



# POLICY

EFFECTIVE DATE: TBD  
SUBJECT: RESIDENT ORGANIZATIONS

NO: PO-RED-312.00

Page 1 of 5

## 1. Purpose

~~1.1~~ ~~1.1~~ To establish a policy regarding resident participation in management of ~~Public Housing~~ Public Housing, ~~including guidelines concerning recognition of Resident Organizations, and minimum standard operating procedures for such resident organizations.~~

## 2. Definitions

Terms used in this policy are either defined within the Policy when a term is first used, or are defined in 24 CFR 245 and 24 CFR 964.

## 3. Policy

- 3.1 The San Diego Housing Commission (“Housing Commission”) recognizes the importance of involving residents in creating a positive living environment and in contributing to the successful operation of public housing. Accordingly, the San Diego Housing Commission (Housing Commission) encourages participation of all residents in the management of public housing.
- 3.2 The Housing Commission is committed to working with residents to determine the most appropriate way to foster constructive relationships. Resident Organizations are recognized as one of the best vehicles for achieving effective resident participation on a regular, sustained basis.
- 3.3 The Housing Commission will assist residents in establishing and maintaining Resident Organizations in accordance with the following procedures. If the need arises, the Housing Commission will consider drafting a handbook to further outline the Housing Commission’s detailed position with respect to Resident Organizations, when the number of public housing units operated by the Housing Commission exceeds 250.
- 3.4 This policy shall comply with all applicable federal regulations concerning Resident Organizations, including, without limitation, 24 CFR 245 and 24 CFR 964.

# POLICY

EFFECTIVE DATE: TBD  
SUBJECT: RESIDENT ORGANIZATIONS

NO: PO-RED-312.00

Page 2 of 5

## ~~3. PETITION TO ESTABLISH RESIDENT ORGANIZATION~~

~~3.1 A Resident Organization may request recognition by submitting to the Executive Director a Petition for Recognition.~~

~~3.2 The Petition must contain:~~

~~A. The official name by which the Resident Organization will conduct its business.~~

~~B. Identification by the project or projects proposed to be represented by the Resident Organization.~~

~~C. The names of the residents who will serve on the nominating committee for the initial election of officers for the Resident Organization.~~

~~D. Signatures from at least 50% plus one of the residents (heads of household must sign) of the project proposed to be represented indicating the desire to form a Resident Organization.~~

~~E. A statement that the Resident Organization agrees to be governed by a board of officers democratically elected from among its voting membership.~~

~~F. A statement that the voting membership of the Resident Organization that consists of the head of each household of the project or projects it represents.~~

~~G. A statement that the Resident Organization agrees to conduct its initial election of officers within 60 days of submittal of the Petition for Recognition.~~

## ~~4. NOTICE TO RESIDENTS AND ELECTION OF INITIAL OFFICERS~~

~~4.1 Upon receipt of a valid petition as described above, the Housing Commission will notify all residents in the project or projects proposed to be represented of its intent to recognize the Resident Organization, and will work with the Nominating Committee named in the Petition to arrange an election of initial officers.~~

~~4.2 The Nominating Committee shall determine the number and nature of the initial officers of the Resident Organization to be submitted to the voting membership for election. Officers shall include at minimum the following:~~

# POLICY

EFFECTIVE DATE: TBD

NO: PO-RED-312.00

SUBJECT: RESIDENT ORGANIZATIONS

Page 3 of 5

~~A. President~~

~~B. Vice President~~

~~C. Secretary/Treasurer~~

~~4.3 In addition, other appropriate officers or members at large may be elected.~~

~~4.4 The initial term of officers shall be one year.~~

## ~~5. ADOPTION OF WRITTEN BY LAWS AND OPERATING PROCEDURES~~

~~5.1 Within 60 days of election of officers, the Resident Organization, as a condition of ongoing recognition, shall submit to the Executive Director CEO or his/her designee its official By laws and Operating Procedures as approved by the membership.~~

~~5.2 The By Laws and Operating Procedures shall address at minimum the following:~~

~~A. The name of the Resident Organization.~~

~~B. Identification of the project(s) represented.~~

~~C. The purpose of the organization.~~

~~D. The number and nature of officers for the organization.~~

~~E. Procedures for election of officers.~~

~~F. Length of the term of each elected office.~~

~~G. Any requirements for candidacy.~~

~~H. Procedures for removing officers.~~

~~I. Procedures for replacing vacated offices.~~

~~J. Procedures for conducting business, including the frequency of meetings of the membership, and meetings of the officers. All meetings shall be open to all residents of the projects.~~



# POLICY

EFFECTIVE DATE: TBD

NO: PO-RED-312.00

SUBJECT: RESIDENT ORGANIZATIONS

Page 4 of 5

~~K. Procedures for ensuring the opportunity for input from all members of the organization.~~

~~L. Procedures for disbanding.~~

~~5.3 The Executive Director or his/her designee shall review the By-Laws and Operating Procedures for compliance with any pertinent local, state or federal requirements of such organizations, and shall provide written notice to the Resident Organization of his determination.~~

## 6. 3. HOUSING COMMISSION SUPPORT TO RESIDENT ORGANIZATIONS

~~6.3.1~~ The Housing Commission may, ~~at~~in its sole discretion and subject to the availability of funds, provide reasonable in-kind and cash assistance to Resident Organizations. The Housing Commission would work in partnership with the Resident Organization to determine the eligibility of activities and distribution of funding. Such assistance may include technical assistance, space, office furniture, duplicating services, funding for administrative costs and activities of the Resident Organization. Additionally, this funding may be used to support programming designed to inform and update residents regarding items that affect their quality of life including safety, self-sufficiency, education and leadership. Cash may only be provided under a written agreement between the Housing Commission and the Resident Organization pursuant to a budget acceptable to the Housing Commission, and providing the Housing Commission the right to inspect and audit the financial records related to the agreement for funds.

## ~~7. RESIDENT MANAGEMENT~~

~~7.1 The Housing Commission encourages Resident Organizations to explore and develop capabilities related to the various functions involved in project management and identify appropriate opportunities for contracting with the Housing Commission.~~

~~7.2 Pursuit of project management functions must be accomplished by establishing a Resident Management Corporation under the laws of the State of California, and pursuant to any other applicable local, state or federal requirements.~~

~~7.3 Any decision to contract for services with a Resident Management Corporation shall be at the sole discretion of the Housing Commission.~~

# POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO-RED-312.00

**SUBJECT:** RESIDENT ORGANIZATIONS

Page 5 of 5

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**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

**History:**  
4/3/1989

**Revision Date:**  
6/10/2011



# POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO-RED-312.00

**SUBJECT:** RESIDENT ORGANIZATIONS

Page 1 of 2

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**1. Purpose**

To establish a policy regarding resident participation in management of Public Housing.

**2. Definitions**

Terms used in this policy are either defined within the Policy when a term is first used, or are defined in 24 CFR 245 and 24 CFR 964.

**3. Policy**

- 3.1 The San Diego Housing Commission (“Housing Commission”) recognizes the importance of involving residents in creating a positive living environment and in contributing to the successful operation of public housing. Accordingly, the Housing Commission encourages participation of all residents in the management of public housing.
- 3.2 The Housing Commission is committed to working with residents to determine the most appropriate way to foster constructive relationships. Resident Organizations are recognized as one of the best vehicles for achieving effective resident participation on a regular, sustained basis.
- 3.3 The Housing Commission will assist residents in establishing and maintaining Resident Organizations in accordance with the following procedures. If the need arises, the Housing Commission will consider drafting a handbook to further outline the Housing Commission’s detailed position with respect to Resident Organizations, when the number of public housing units operated by the Housing Commission exceeds 250.
- 3.4 This policy shall comply with all applicable federal regulations concerning Resident Organizations, including, without limitation, 24 CFR 245 and 24 CFR 964.

**4. Housing Commission Support To Resident Organizations**

- 4.1 The Housing Commission may, in its sole discretion and subject to the availability of funds, provide reasonable in-kind and cash assistance to Resident Organizations. The

# POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO-RED-312.00

**SUBJECT:** RESIDENT ORGANIZATIONS

Page 2 of 2

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Housing Commission would work in partnership with the Resident Organization to determine the eligibility of activities and distribution of funding. Such assistance may include technical assistance, space, office furniture, duplicating services, funding for administrative costs and activities of the Resident Organization. Additionally, this funding may be used to support programming designed to inform and update residents regarding items that affect their quality of life including safety, self-sufficiency, education and leadership. Cash may only be provided under a written agreement between the Housing Commission and the Resident Organization pursuant to a budget acceptable to the Housing Commission, and providing the Housing Commission the right to inspect and audit the financial records related to the agreement for funds.

**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

**History:**  
4/3/1989

**Revision Date:**



# POLICY

EFFECTIVE DATE: TBD

NO: PO-RED-312.02

SUBJECT: RESIDENT-CAUSED MAJOR PROPERTY DAMAGE

Page 1 of 3

## 1. PURPOSE

- 1.1 To state San Diego Housing Commission (“Housing Commission”) policy concerning assessments to residents for damage(s) caused by resident, household member or guest caused major property damage at Housing Commission-owned and managed properties.

## 2. DEFINITIONS

Terms are defined in the body of this policy, or in regulations referenced within the policy.

## 3. POLICY

- 3.1 The Housing Commission holds residents responsible for resident-caused damage-  
~~without regard to the degree or nature of the damage. There is no provision for special consideration or exceptions based on the age or capacity of the individual causing the damage. Public housing heads of household must be capable of independent living and such assessments are made prior to housing a family.~~
- 3.2 The Housing Commission ~~limits the charge to the resident to the insurance deductible, but not more than \$5,000, and requires a repayment agreement be signed wherein the charge for this repair does not exceed 10% of monthly adjusted income. This policy considers the fact that the Commission's insurance deductible varies from year to year and that the realistic ability of low income residents to repay is limited~~ sets forth the limits that residents are required to pay in individual leases with the tenant. In no event, will a tenant be required to pay for damage that is caused by the Housing Commission, in accordance with applicable state and federal law.

~~Attachment A of this policy provides a scenario of impact on rent and period of time required for repayment.~~

- ~~3.3 Eviction is considered case-by-case, taking into account the degree of negligence and the threat to life and property involved.~~

## 4. BACKGROUND

# POLICY

EFFECTIVE DATE: TBD

NO: PO-RED-312.02

SUBJECT: RESIDENT-CAUSED MAJOR PROPERTY DAMAGE

Page 2 of 3

~~4.1 Residents of properties managed by the Housing Commission are required to pay reasonable charges for repair of damages to the property, beyond normal wear and tear, caused by the resident, a household member or guest of the resident. This policy is prescribed by the Code of Federal Regulations (CFR) governing resident's responsibilities in public housing programs. CFR 966.4(f)(10) reads~~

~~"(f) Tenant's Obligation. The lease shall provide that the tenant shall be obligated: . . .~~

~~(10) To pay reasonable charges (other than for normal wear and tear) for the repair of damages to the premises, project buildings, facilities or common areas caused by the tenant, his/her household or guests."~~

3.3 The limit of repayment required of a tenant may change from time to time based upon insurance deductibles. These changes will be reflected in an Administrative Regulation that will be promulgated by the Housing Commission and reviewed and revised from time to time.

~~4.2 The pertinent language in the public housing lease agreement related to resident obligations reads:~~

~~"7. YOU PROMISE TO: . . .~~

~~c. Pay reasonable cleaning and/or repair charges for damages to the premises (beyond normal wear and tear) which are intentionally or negligently caused by your guests or members of your household." . . .~~

~~" YOU PROMISE NOT TO:~~

~~a. Allow any of your guests or members of your household (to) damage, deface, destroy or remove any part of the premises."~~

~~4.3 Heads of household are clearly advised in the lease of their responsibility for household members and guests.~~

# POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO-RED-312.02

**SUBJECT:** RESIDENT-CAUSED MAJOR PROPERTY DAMAGE

Page 3 of 3

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**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief\_of Staff

\_\_\_\_\_  
Date

**History:**  
3/20/1989

**Revision Date:**



# POLICY

**EFFECTIVE DATE:** TBD **NO:** PO-RED-312.02  
**SUBJECT:** RESIDENT-CAUSED MAJOR PROPERTY DAMAGE

Page 1 of 2

1. PURPOSE

1.1 To state San Diego Housing Commission (“Housing Commission”) policy concerning assessments to residents for damage(s) caused by resident, household member or guest at Housing Commission-owned and managed properties.

2. DEFINITIONS

Terms are defined in the body of this policy, or in regulations referenced within the policy.

3. POLICY

3.1 The Housing Commission holds residents responsible for resident-caused damage.

3.2 The Housing Commission sets forth the limits that residents are required to pay in individual leases with the tenant. In no event, will a tenant be required to pay for damage that is caused by the Housing Commission, in accordance with applicable state and federal law.

3.3 The limit of repayment required of a tenant may change from time to time based upon insurance deductibles. These changes will be reflected in an Administrative Regulation that will be promulgated by the Housing Commission and reviewed and revised from time to time.

**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date



# POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO-RED-312.02

**SUBJECT:** RESIDENT-CAUSED MAJOR PROPERTY DAMAGE

Page 2 of 2

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History:

3/20/1989

Revision Date:

6/10/2011



# POLICY

**EFFECTIVE DATE:** 7/12/1985 **NO:** PO-RED-317.01  
**SUBJECT:** SAN DIEGO HOUSING COMMISSION RULES ON RELOCATION  
ASSISTANCE TO TENANTS IN RENTAL REHABILITATION  
PROGRAMS

Page 1 of 20

## **PART 1**      **GENERAL**

### **S 1.1**      **Purposes And Policies**

(a) The purpose of the San Diego Housing Commission ("Housing Commission") Rules On Relocation Assistance To Tenants In Rental Rehabilitation Programs ("Rules") is to set forth the specific policies and procedures of the Housing Commission in implementing the Relocation Assistance Act ("Act"), Government ("Gov. Code") 7265.3(b)-(f), for publicly funded or assisted re-habilitation programs for rental housing ("rental rehabilitation programs").

(b) The Rules are intended for the benefit of tenants to ensure the uniform and fair administration of relocation services and benefits designed to minimize the adverse social and economic effects of rental rehabilitation programs, and shall be liberally construed to carry out these purposes and policies.

### **S 1.2**      **Applicability**

(a) Covered Rental Rehabilitation Programs - These Rules cover rental rehabilitation programs funded or assisted with public funds, including the Community Development Block Grant Program, Residential Rehabilitation Program, Section 8 -and Section 8 - Moderate Rehabilitation Program. Except insofar as federal and state laws governing such programs require specific-ally conflicting assistance or services.

(b) Effective Date - These Rules apply to rental housing which is approved for participation In a covered rental rehabilitation program on or after [insert the date of the Judgment or some other event].

# POLICY

**EFFECTIVE DATE:** 7/12/1985

**NO:** PO-RED-317.01

**SUBJECT:** SAN DIEGO HOUSING COMMISSION RULES ON RELOCATION ASSISTANCE TO TENANTS IN RENTAL REHABILITATION PROGRAMS

Page 2 of 20

## S 1.3 Definitions

(a) Adjusted Gross Monthly Income - net income as defined in 25 California Administrative Code S 6916.

(b) Comparable Replacement Housing - housing which meets each of the following standards:

(1) Decent, safe and sanitary (as defined in this section) and comparable to the rehabilitated housing in the number of rooms, habitable living space and type and quality of construction.

(2) In an area not subject to unreasonable adverse environmental conditions from either natural or man-made sources, and not generally less desirable than the rehabilitated housing for public utilities, public and commercial facilities and neighborhood conditions, including schools and municipal services, and reasonable accessible to the displaced household's place of employment.

(3) If the displaced household so wishes, every reasonable effort shall be made to relocate it within or near the neighborhood of the rehabilitated housing, and when practicable, reasonably close to relatives, friends, services or organizations with whom the household has an existing dependency relationship.

(4) Within the financial means of the household if the rental cost, including utilities and other reasonably recurring expenses, minus any increased rental payment available does not exceed the household's rental cost in the housing before rehabilitation or 25% or 30% of its average monthly income (as defined in this section).

(c) Decent, Safe And Sanitary

# POLICY

**EFFECTIVE DATE:** 7/12/1985

**NO:** PO-RED-317.01

**SUBJECT:** SAN DIEGO HOUSING COMMISSION RULES ON RELOCATION ASSISTANCE TO TENANTS IN RENTAL REHABILITATION PROGRAMS

Page 3 of 20

(1) Housing in sound, clean and weather-tight condition, in good repair and adequately maintained, in conformity with the applicable state and local building, plumbing, electrical, housing and occupancy codes or similar ordinances or regulations.

(d) Housing Commission - San Diego Housing Commission.

## **Part 2**      **ADVISORY SERVICES TO TENANTS**

S 2.1 Maximum Assistance To Tenants - The Housing Commission will implement these Rules to allow affected tenants to receive the maximum services and benefits permitted by law.

S 2.2 No Discrimination - The Housing Commission will provide services and benefits without discriminating against tenants because of sex, age, race, color, religion, handicap, national origin, or children.

### S 2.3      Services To Tenants Before Owner Participation

(a) Tenant eligibility - A tenant must be lawfully in the rental housing under the terms of the lease on the date the owner's initial application to participate in a rental rehabilitation program ("owner's application") is submitted to the Housing Commission.

#### (b)      Identify Tenants

(1) The owner's application must contain for every tenant residing in the housing to be rehabilitated: the tenant's full name, address, and telephone number.

(2) No owner's application may be considered for participation until the owner provides such a listing of tenant information.

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(c) Notify Tenants

(1) The owner of the dwelling shall, after filing its application, deliver to each tenant identified under section 2.3(b) a notice of services and benefits and a financial declaration. The owner shall certify and attest to the delivery of said notice and declaration.

(2) The notice shall be written in plain, simple English and Spanish, and contain information about the services and benefits available, a warning about the loss of benefits, and how to get further information and help. The notice shall be in the form of Appendix 1.

(3) No owner's application may be considered until the Housing Commission has received the required application from each tenant, unless it determines that the tenant has moved and cannot be located or willfully refuses to cooperate.

(4) The Housing Commission will use its best efforts in obtaining the information from the tenant.

(d) Assistance to tenants - The Housing Commission will provide advice and assistance to tenants about their rights and responsibilities in their primary language.

S 2.4 Services to Tenants Upon Owner Participation

(a) Tenant Eligibility - A tenant must be either:

(1) be in lawful occupancy of the housing under the terms of the lease when the owner's application was submitted; or

(2) move into the housing after the owner's application was submitted without actual notice of it, and law-fully occupy the housing under the terms of the

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lease on or after the date it was approved.

(b) Services To Tenants

(1) Personal Interview - The Housing Commis-

sion will conduct a personal interview with each tenant to specifically review each of the potential relocation services and benefits in light of the anticipated rehabilitation work and its effects on them, and the procedures for obtaining them, according to this subsection 2.4(c). This personal interview may be waived by the tenant by signing a waiver which sets forth the tenant's right to a personal interview.

(2) Description Of The Rehabilitation Work - Discuss the nature of the

anticipated repairs and other rehabilitation work to the building and specific apartment of the tenant.

(3) Tenant's Right To Stay In The Rehabilitated Housing - Based on the

anticipated rehabilitation work, determine whether the tenant may lawfully remain in the housing after it is completed. If so, explain the right of the tenant to remain in the rehabilitated housing for one year after the re-habilitation work is completed, and that the tenant will lose any further services and benefits, like rental payments, upon moving out of the rehabilitated housing voluntarily. If not, explain the right to comparable, replacement housing as described in subsection 2.4(c) (5) below.

(4) Housing Commission Pays For Temporary Housing - Determine

whether the rehabilitation work may force the tenant household to move out of the rehabilitated housing temporarily and if so, for approximately how long. Explain that the Housing Commission will pay the cost of any temporary housing and where and what kind of housing may be provided.

(5) Housing Commission Assists The Tenant In Finding Permanent

Replacement Housing Comparable To The Rehabili

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tated Housing - Determine if the tenant may have to move out of the housing permanently because of the rehabilitation work. Discuss with the tenant any problems which may force a permanent move from the housing. Tell the tenant to contact the Housing Commission, before making any final decision, to find out about the tenant's right to replacement housing rental payments and moving expenses. Explain what type of housing is comparable to the tenant's housing and what services the Housing Commission will provide to assist the tenant find such housing.

(6) Housing Commission Pays Increases In The Tenant's Rent Caused By The Rehabilitation Work Or A Move To Replacement Housing - Explain the circumstances under which the tenant will be eligible for rental payments.

(7) Housing Commission Pays For Moving Expenses - Determine whether the tenant may have to move to temporary or permanent replacement housing. Describe the procedures and amounts for payment of moving expenses to movers or for self-moves.

(8) Procedure For Making Claims For Benefits  
- Provide each tenant with a written claim form and explain how to fill it out and submit it to the Housing Commission.  
S 2.5 Procedures For Handling Initial Claims

(a) Making A Claim For Benefits

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(1) Filing Requirement - The tenant shall

file with the Housing Commission a claim for benefits on the written form. The claim may be for future or past benefits. The claim form shall be in the form of Appendix 3.

(2) Time Limits - The tenant must file a claim for benefits within 3 months after completion of the re-habilitation work, after incurring the expense or within any extension granted by the Housing Commission.

(b) Processing A Claim For Benefits

(1) General - The Housing Commission will be responsible for reviewing the information from the tenant and other parties and process it according to the manner prescribed

here and for the particular benefit in Parts 3, 4, 5, 6 and 7.

(2) Tenant's Responsibility - The tenant is responsible for making reasonable efforts to obtain and provide the necessary information to the Housing Commission to support any claims.

(3) Insufficient Proof Of Claims - The Housing Commission will advise the tenant household of any additional proof needed for any benefit claim and provide a reasonable time not less than 15 days to obtain it, before making a final decision on the claim.

(c) Decisions On Initial Claims

(1) Notice Of Decision - The Housing Commission will send each tenant household a written decision on each claim containing a brief statement of the reasons



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for its decision. The decision shall be on a form substantially like Appendix 4.

(2) Time Limits - The Housing Commission will mail its decision on a claim within 30 days after it receives all the information necessary to make it, or within any good cause extension.

## PART 3 RIGHT TO STAY IN THE REHABILITATED HOUSING

S 3.1 Eligibility Conditions - All eligible tenants defined in S 2.4(a) whose occupancy of the housing after the completion of the rehabilitation work does not violate any applicable legal housing occupancy standards.

S 3.2 Benefits - Right To Stay For One Year - An eligible tenant has the right to remain in the rehabilitated housing for one year after the completion of the rehabilitation work if the continued stay meets applicable legal housing occupancy standards.

### S 3.3 Procedures For Exercising The Right To Stay

(a) Conditions On The Owner - As a condition of approving an owner's application, the owner must agree in writing to allow any tenants eligible under S 3.1 to remain in the rehabilitated housing for at least one year after the completion of the rehabilitation work.

(b) Conditions On The Tenant - The tenant eligible under S 3.1 must agree to remain in the rehabilitated housing to obtain any rental assistance under Part 7, unless the tenant must involuntarily move out of the housing as a result of the rehabilitation work as defined under Part 5.

(c) Notification - The Housing Commission will advise both the owner and the tenant of the ending date of the one year term.

## PART 4 PAYMENT FOR TEMPORARY HOUSING

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S 4.1 Eligibility Conditions - All eligible tenants defined in S 3.1 who exercise their right to remain the rehabilitated housing and must move out temporarily because of the rehabilitation work.

S 4.2 Benefits - Payment Of Temporary Housing Expenses

(a) Type Of Temporary Housing - The temporary housing shall be adequate for the circumstances. It need not be comparable.

(b) Payment Of Rent And Utilities

The Housing Commission will pay the rent and utilities on the temporary housing, when the tenant is obligated to pay them on the housing to be rehabilitated.

(c) Advance Notice Of Moving Date - The Housing

Commission will give the tenant 30 days written notice of the date by which to move into the temporary housing.

Procedures For Claiming Temporary Housing Benefits

(a) Determination Of Need - The Housing Commission may determine in advance the need for temporary housing.

(b) Locating The Housing - The Housing Commission will locate the housing, unless the tenant indicates a desire to do so.

(c) Contracting For Temporary Housing - The Housing Commission will contract and pay for the temporary housing if the tenant is obligated to pay rent on the residence

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being rehabilitated

## PART 5 MOVING TO PERMANENT, COMPARABLE REPLACEMENT HOUSING

### S 5.1 Eligibility Conditions

(a) General - All tenants as defined in S 2.4(a), who move involuntarily from the housing as a result of the re-habilitation work are eligible to receive defined benefits.

#### (b) Examples Of Involuntary Moves

(1) Inability to exercise the option to remain in the rehabilitated housing.

(2) The tenant's lease in the rehabilitated housing is terminated within one year after the completion of the rehabilitation work even though tenant has complied with all terms of the lease.

### S 5.2 Benefits - Comparable Replacement Housing For Permanent Move Caused By Rehabilitation Work

Type Of Comparable Replacement Housing - The comparable replacement housing must conform to the criteria set forth in subsection 1.3(a).

### S 5.3 Procedures For Claiming Permanent, Comparable Replacement Housing

#### (a) Determination Of The Right To Comparable Replacement Housing

(1) The Housing Commission may determine the right to permanent, comparable replacement housing whenever it believes that the tenant may be involuntarily forced to

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move from the rehabilitated unit without a written claim therefore.

(2) In order to receive benefits for permanent replacement housing the tenant shall file a written claim for such benefits containing a brief statement about why it must move out of the housing permanently within three months.

(b) Filing Requirement - In the absence of the Housing Commission's determination of a tenant's eligibility to receive such benefits, in order to receive such benefits for permanent comparable replacement housing the tenant must file a written claim for such benefits containing a brief statement about why it must move out of the housing within three months after entitlement for such benefits accrued.

(c) Advice About Related Benefits - If the Housing Commission determines the tenant is eligible for benefits for permanent comparable replacement housing, it will provide the following:

(1) Description Of Comparable Replacement Housing - A description of the number and type of rooms comparable to the rehabilitated housing and any other information, that will help the tenant determine what housing is comparable.

(2) Availability Of Comparable Replacement Housing - A listing of replacement housing comparable to the rehabilitated unit, including the size, rent, security deposit, and any other lease terms, and advice about how to locate other such housing.

(3) Moving Expenses - An explanation of the tenant's right to moving expenses.

(4) Rental Assistance Payments - An explanation of what monthly rent a

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tenant must pay to trigger the right to rental assistance and the approximate range of monthly rental assistance available to enable the tenant to determine the affordability of potential comparable replacement housing.

## PART 6 PAYMENT OF MOVING EXPENSES

S 6.1 Eligibility Conditions - All tenants who are eligible for temporary housing under S 4.1 or permanent, comparable re-placement housing under S 5.1 are eligible to receive moving expenses.

### S 6.2 Benefits - Payment Of Moving Expenses

(a) Actual, Reasonable Moving Expenses - A tenant is entitled to actual, reasonable moving expenses on personal property like transportation up to 50 miles (or more if justified); storage; insurance on moving or storing; the value if lost, damages or stolen if insurance is not readily available; and the cost of dismantling or installing.

(b) Self-moving Expenses - The tenant may receive, without documentation of expenses actually incurred, self-moving expenses of not more than an acceptable low bid for the expenses in subsection 6.2(b), or an amount acceptable to the Housing Commission.

(c) Advance Payment - The tenant may receive, advance payment of anticipated moving expenses whenever late payment would result in financial hardship.

### S 6.3 Procedures For Claiming Moving Expenses

(a) Advice About Moving Expenses - Upon determining a tenant's eligibility to temporary or permanent housing, the Housing Commission shall advise the tenant of the available options for moving expenses in S 6.2, and allow a reasonable period of time to make the choice

(b) Contracting For Moves - The Housing Commission will arrange for and pay for

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the actual, reasonable moving expenses set forth in subsection 6.2(a).

## PART 7 PAYMENT OF INCREASED RENT CAUSED BY REHABILITATION

### S 7.1 Eligibility Conditions

(a) General Conditions For Initial Eligibility - All tenants eligible under S 3.1 or S 5.1, and

(i) whose adjusted gross monthly income is less than 120% of the area median income for the County of San Diego as published periodically by the State Department of Housing and Community Development; and

(ii) who is obligated to pay increased monthly rent over the monthly rent for the housing during the month before the application to participate was filed, which increase occurred within one year after completion of the rehabilitation work if the tenant remains in that housing or moves into permanent, comparable replacement housing which move is caused by the rehabilitation; and

(iii) whose increased rent exceeds 25% or 30% of the tenant's adjusted gross monthly income.

### (b) Conditions For Continued Eligibility

(1) The tenant must continue to reside in either the rehabilitated housing or in the comparable replacement placement housing to receive rental assistance, unless forced to move from such housing involuntary.

(2) Causes of involuntary moves include terminations of a lease even though tenant has complied with all terms of the lease.

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S 7.2 Benefits - Payment Of Increased Rent Caused By

Rehabilitation

(a) Maximum Rental Assistance - The tenant is entitled to a maximum of \$4,000 for no more than 4 years.

(b) Alternative Down payment - The tenant is entitled in place of the maximum benefit in subsection S 7.2(a) to a down payment on the purchase of comparable replacement housing to a maximum of \$2,000.

(c) Computing The Monthly Rental Assistance Payment - The monthly rental assistance payment shall be computed as follows:

(1) Determine the monthly rental on the rehabilitated housing or comparable replacement housing.

(2) Determine the rental for the tenant on the date of the owner's application.

(3) The total monthly rental assistance payment shall be the lesser of either (i) the difference between (1) and (2), or (ii) between (1) and 25% or 30% of the tenant's adjusted gross monthly income whichever is less.

(4) The maximum rental assistance shall be 48 times the monthly rental determined in subsection 7.2(c) (3).

(d) Payment Methods - The Housing Commission may make the increased monthly rental payment to the tenant monthly, annually or in lump sum calculated for a 48 month period as determined by the Commission.

S 7.3 Procedures For Claiming Rental Assistance 7,

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(a) The tenant must submit a claim for rental assistance within three months after the rent is increased or tenant was otherwise entitled to such assistance.

(b) Notice Of Rental Increase In Comparable Replacement Housing - The Housing Commission may determine whether or not the tenant is entitled to rental assistance upon approving the tenant's eligibility for the specific comparable replacement housing under subsection 5.3. Such approval constitutes a claim for rental assistance benefits from the tenant.

(c) Redetermination Of Eligibility

(1) Annual Redetermination - The Housing

Commission may require the tenant to submit proof of changes in income annually, and redetermine the amount of monthly rental assistance payments accordingly.

## PART 8 HOUSING COMMISSION REVIEW OF INITIAL CLAIM DECISIONS

S 8.1 Right To Review - Any tenant who disagrees with any action or inaction of the Housing Commission on any claim for services or benefits under the Act, or these Rules, up ask for a further review under this Part.

### S 8.2 Request For Review

(a) Method - A tenant may request further review by filing a written request stating the action or inaction to be reviewed and the reasons for the disagreement. The request shall be on a prescribed form like Appendix 5, or on a substantially similar form.

(b) Time Limits - A request must be filed within three (3) months after the tenant learns of the contested action or inaction ("contested action"), or within any extension for good cause granted by the Housing Commission.



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(c) Scope Of The Request - Any request for review will be deemed a request for additional information under S 8.3 and a hearing under S 8.4.

S 8.3 Additional Information

(a) Written Explanation Of Contested Action And Review Procedures - Within two (2) weeks after receiving a request for review, the Housing Commission will provide the tenant with a full written explanation of its determination and reasons therefore, a brief explanation of the access to their files, the hearing procedures, and schedule a date for the hearing under S 8.4. The written explanation and notice of hearing shall be on a form like Appendix 6.

(b) Access To Information - Except to the extent that disclosure of the material is prohibited by law, the tenant may review all the files and records bearing on his claim or request for review. The tenant may obtain copies of any record at a reasonable cost, except that copies are free to any tenant meeting the very low income guidelines for the Section 8 - Existing Housing Program

S 8.4 Hearing Procedures

(a) Failure To Request A Hearing - If the tenant does not request a hearing in accordance with Section 8.2, then the Commission's disposition under Section 2.5(c) shall become final.

(b) Scheduling Of Hearing - Unless there are extenuating circumstances, a hearing shall be scheduled by the hearing officer for a time not less than fourteen working days nor more than twenty-eight working days after the notice under Section 8.3(c) is mailed to the tenant and for a place reasonably convenient to both the tenant and the Commission,

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(c) Hearing Officer - The hearing shall be held before a hearing officer who may be employed by the Commission, but may not be directly involved in the initial claim decision on the issues under appeal.

(d) Fair Hearing- The tenant shall be afforded a fair hearing providing the basic safeguards of due process which shall include:

(1) The opportunity to examine before the hearing and at the expense of the tenant, to copy all documents, records and regulations of the Commission that are relevant to the hearing, Any documents not made available after request therefore by the tenant may not be relied upon by the Commission at the hearing;

(2) The right to be represented by counsel or other person chosen as his or her representative;

(3) The right to a private hearing unless the tenant requests a public hearing;

(4) The right to present evidence and arguments in support of his or her complaint to controvert evidence relied upon by the Commission, and to confront and cross-examine all witnesses on whose testimony or information the Commission relies; and

(5) A decision based solely and exclusively upon the facts presented at the hearing.

(e) Decision Without Hearing - The hearing officer may render a decision without proceeding with the hearing if the hearing officer determines that the issue has been previously decided in another proceeding.

(f) Appearances - If the tenant or the Commission fails to appear at a scheduled

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hearing, the hearing officer may make a determination to postpone the hearing for not to exceed five working days or up make a determination that the party has waived his/her right to a hearing. Both the tenant and the Commission shall be notified of the determination of the hearing officer. Such determination shall not constitute a waiver of any right the tenant may have to contest the Commission's disposition of the grievance in an appropriate judicial proceeding.

(g) Burden of Proof - At the hearing the tenant must first make a showing on entitlement to the relief sought and thereafter the Commission must sustain the burden of justifying the Commission's action or failure to act against which the complaint is directed.

(h) Conduct Of Hearing - The hearing shall be conducted informally by the hearing officer and oral or documentary evidence pertaining to the facts and issues raised by the tenant must be received without regard to judicial proceedings. The hearing officer shall require the Commission, the tenant, counsel and other participants and other spectators to conduct themselves in an orderly fashion. Failure to comply with the directions of the hearing officer to obtain order may result in exclusion from the proceedings or in a decision adverse to the interests of the disorderly party in granting or denial of the relief sought, as appropriate.

(i) Transcript - The tenant or the Commission may arrange in advance and at the expense of the party making the arrangement for a transcript of the hearing. Any interested party may purchase a copy of such transcript.

(j) Decision Of The Hearing Officer

(1) Written Decision - The hearing officer

shall prepare a written decision, together with the reasons therefore, within seven working days after the hearing is concluded. The copy of the decision shall be sent to the tenant and

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the Commission, who shall retain a copy of the decision in the tenant's file.

(2) Effect Of Decision - The decision of the hearing officer or hearing panel shall be binding on the Commission which shall take all actions, or refrain from any actions, necessary to carry out the decision, unless the Commission's Board of Commissioners determine within twenty working days, and promptly notified the tenant of its determination, that a decision of the hearing officer is contrary to applicable federal, state or local laws, including HUD regulations.

(k) Judicial Review - A decision by the hearing officer in favor of the Commission or which denies relief re-requested by the tenant in whole or in part shall not constitute a waiver of, or affect in any manner whatsoever, any rights the tenant may have to a trial de novo or judicial review in any judicial proceedings which may thereafter be brought in the matter.

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**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

DELETED



# POLICY

EFFECTIVE DATE: TBD NO: PO-RED-318.01  
SUBJECT: HOUSING REHABILITATION PROGRAM ~~GENERAL~~ POLICY

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## 1. PURPOSE

To state San Diego Housing Commission (“Housing Commission”) policy concerning ~~general issues related to~~ the Housing Rehabilitation Program.

## 2. DEFINITIONS

2.1 Policy - A policy is defined as a general principal by which the Housing Commission is guided in its management of affairs, which has been established by the Housing Authority of the City of San Diego (“Housing Authority”) per SDMC Section 98.0301, or which has been delegated to the Housing Commission by action of the Housing Authority. It can be a plan or course of action intended to influence and determine decisions, actions, and other matters. A policy is not normally used to denote the manner in which the policy is achieved. The manner or method of achieving compliance with the policy would be the subject of an Administrative Regulation. Policies are reviewed and approved by the Board of Commissioners of the Housing Commission and/or Housing Authority (when required) prior to implementation. Administrative Regulations are promulgated by the President & Chief Executive Officer (“CEO”), or designee, administratively. In addition, Guidelines are also promulgated by the CEO, or designee, administratively, and deal with method of achieving goals of the Commission, which are not the subject of Housing Commission policy.

2.2 Area Median Income (“AMI”) - Median income levels determined and published annually by the U.S. Department of Housing and Urban Development for metropolitan statistical areas.

~~2.2 CEO - The Chief Executive Officer of the Housing Commission.~~

~~2.3 HOME Investment Partnerships Program (also “HOME”, HOME Program) - An annual formula-based federal grant to cities, counties and states for affordable housing activities. The City of San Diego has delegated administration of the HOME Program to the San Diego Housing Commission.~~

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~~2.4 Housing Quality Standards (also "HQS") - Minimal standards as established by the U.S. Department of Housing and Urban Development for residential units to be determined safe and decent and eligible for federal assistance.~~

~~2.5 Loan To Value Ratio (also "LTV") - The percentage of the amount of loan divided by the determined retail value of a property.~~

~~232.633~~ Low Income - Income between 50 percent and 80 percent of the MAMI, as adjusted by household size.

~~232.474~~ Very Low Income - Income up to 50 percent of the MAMI, as adjusted by household size.

~~2.5~~ Moderate Income - Income over 80 percent of the AMI, as adjusted by household size.

~~32.86 San Diego Housing Commission (also "Housing Commission" and "Commission") - The housing agency for the City of San Diego.~~

## 343. POLICY

~~343.1~~ Housing Rehabilitation's primary objective is the improvement of substandard conditions in housing which provides a safe, decent and sanitary living environment principally for persons of low and moderate income.

~~43.2~~ The Housing Commission shall operate Housing Rehabilitation Programs in ~~to provide services as described in Commission Policies PO-RED-318.02 600.101, PO-RED-318.03 and PO-RED-317.02 through 600.204~~ in accordance with all applicable Federal, State or local laws and regulations.

~~3.3~~ The Program shall be administered in accordance with regulations governing the source(s) of funds utilized.

~~3.4~~ Properties with structures built prior to 1979 shall be subject to City of San Diego Lead Hazard and Prevention Control Ordinance O-17454. Federally funded projects built before 1978 shall be subject to Title X of the Housing and Community Development Act of 1992 and related regulations and guidelines.

~~"Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community."~~

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~~343.52~~ The Housing Commission shall ~~operate~~ recognizes the need for a Housing Rehabilitation Program to help meet the local need for safe, decent, and sanitary standard housing units affordable to low and moderate income families. ~~a need recognized by the City Council, and to encourage private reinvestment in declining neighborhoods.~~

~~3.3~~ ~~To achieve these program objectives stated in Policies 3.1 and 3.2 above, the Commission recognizes~~ The Housing Commission further recognizes the ~~that~~ that need it is necessary to provide clients with for technical assistance and favorable financing for rehabilitation activities ~~by providing Below Market Interest Rate loans (BMIR).~~

~~433.64~~ To the maximum extent possible, the Housing Commission cooperates with the City's Code Enforcement Program, and recognizes that the Code Enforcement Program and the Housing Rehabilitation Program represent a coordinated effort in the successful community revitalization of neighborhoods. Eligible applicants referred to the Housing Commission by Code Enforcement will receive priority assistance.

~~343.75~~ The Housing Rehabilitation Program shall ~~attempt to obtain housing rehabilitation funding from all possible sources, and shall utilize these funds available~~ program funding in a cost effective manner.

~~3.6~~ ~~All rehabilitation programs shall be operated in accordance with applicable regulations, and the public will be notified at least annually of the availability of funding.~~

~~3.7~~ ~~When not prohibited, rehabilitation program funds (including private funds) shall be placed in a fund control account to be released incrementally as work is completed and as certified by the property owner and Rehabilitation staff.~~

~~43.8~~ For purposes of the Housing Rehabilitation Program, the Housing Commission recognizes the income levels defined in the respective grant conditions. ~~those households earning less than 50 percent of AMI/MAI as being very low income and those households earning between 50 percent and 80 percent of AMI/MAI as being low income.~~ MAI are published annually by the U.S. Department of Housing and Urban Development (HUD). The income of eligible applicants shall not exceed the maximum AMI established for the specific program(s) being applied for.

3.9 Applications shall be accepted on a city-wide basis. Applicants of targeted rehabilitation programs must reside within the boundaries of the operating areas.

3.10 Rehabilitation loans will follow existing processing procedures currently in place for the Housing Commission's Rehabilitation Program.



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3.11 Housing rehabilitation loans will be underwritten in accordance with the existing Housing Commission Housing Program Lending Authority Policy No. PO-RED-347.01 underwriting standards, as they may be amended from time to time.

3.12 Loan terms are established for each funding source. Qualification for the terms of a specific loan shall be based upon the applicant's ability to meet the underwriting criteria.

3.13 For the purpose of program eligibility determination, the income of an applicant shall include all verifiable income of adults (18 years of age and older) in the household.

3.15 Rehabilitation loans will not be originated unless all health, safety and code violations can be corrected. All residential units must at minimum meet Uniform Physical Conditions Standards (UPCS).

~~343.169~~ The ~~Chief Executive Officer~~ Housing Commission shall take all actions necessary to assure that eligible tenants are given the opportunity to receive applicable State and/or Federal temporary relocation benefits in accordance with the ~~San Diego~~ Housing Commission Acquisitions and Tenant Relocation Procedure Manual. ~~38 Rules on Relocation Assistance to tenants in rental housing rehabilitation programs.~~

~~343.1017~~ Administrative regulations ~~(in the form of Standard Operating Procedures)~~ shall be developed and maintained, and shall be made available to staff to provide direction concerning policy implementation. These Administrative regulations shall be amended from time to time as necessary. In cases when new policies are adopted by the Commission, Standard Operating Procedures shall be developed and made available to staff in a timely manner.

~~3~~ ~~43.1118~~ The Housing Rehabilitation Program shall discourage the funding of a second rehabilitation loan on a property to the same eligible applicant ~~owner~~. However, each request for a subsequent loan will be reviewed on an individual basis. Special consideration ~~would~~ may be given in the event of natural disasters, failure of a major system ~~(e.g., structural, roofing, electrical, plumbing)~~ or the presence of other health and safety hazards. In all instances staff will inspect the property to insure the owner has made a good faith effort to maintain the property since the funding of the original rehabilitation loan. A request for additional rehabilitation assistance from an ~~owner occupant~~ eligible applicant may be funded with a grant as long as the applicant is eligible and the repairs are ~~for a major system~~ justified.

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SUBJECT: HOUSING REHABILITATION PROGRAM ~~GENERAL~~ POLICY

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3.19 The rules for eligibility and terms and conditions for rehabilitation of owner-occupied 1-4 unit properties, including mobile homes, are set forth within the applicable funding sources requirements imposed by the terms of the various grants. The Housing Commission shall follow those requirements, as they may be amended from time to time. The Housing Commission shall follow applicable local, state and federal law in operating the various owner-occupied ~~Should a subsequent rehabilitation loan be provided on rental properties, only major systems will be repaired using Housing Commission funding sources. The owners eligible applicant will be responsible and need to provide their own financing for items such as paint, carpet replacement, window glazing, etc., necessary to bring a unit up to HUD Housing Quality Standards.~~  
rehabilitation programs administered by the Housing Commission. The terms and conditions for each program are available from the Housing Commission upon request and are contained within the applicable Administrative Regulations.

3.20 To the extent that any former Redevelopment Agency funds exist pursuant to a Redevelopment Area Rehabilitation Program, the Housing Commission shall follow the requirements of that Program, as those requirements are referenced within fact sheets on file in the office of the Housing Commission, and in accordance with former Redevelopment Law, to the extent still applicable and as further defined within the applicable Administrative Regulations.

3.21 The rules for eligibility and terms and conditions for the rental property rehabilitation shall be in strict compliance with all applicable federal, state or local laws.

a. For eligible rental property owners the following revocable grants will be available for the following types of programs as long as funds exist:

1. Lead-Based Paint Hazard Control Grant to eliminate lead paint hazards in properties constructed prior to 1979 with the goal of preventing childhood lead poisoning. Priority will be given to properties occupied or frequently visited by children less than six years of age. At the time of the promulgation of this policy, grants up to \$5,000 per unit, plus \$5,000 for common areas is available for multi-family properties; or up to \$10,000 for a single family residence to cover costs of material and labor to remove lead hazards. Costs for lead testing, clearance inspection, operations and maintenance plans and any temporary relocation if necessary is covered separately by the grant. Terms and conditions of a grant may change from time to time as determined necessary to comply with the applicable grant requirements.

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2. Healthy Homes Grant to address other household hazards, such as pest management, air quality, debris removal, asthma/allergy triggers and fall hazards.

Terms and conditions of a grant may change from time to time as determined necessary to comply with the applicable grant requirements.

3. All of the requirements rental property rehabilitation are on file in the offices of the Housing Commission, in the Administrative Regulations concerning rental Property program, as those may be amended from time to time.

# POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO-RED-318.01

**SUBJECT:** HOUSING REHABILITATION PROGRAM ~~GENERAL~~ POLICY

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**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

**History:**

7/20/1987  
05/15/1989  
09/18/1989  
11/14/1994

**Revision Date:**

05/25/1999



# POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO-RED-318.01

**SUBJECT:** HOUSING REHABILITATION PROGRAM POLICY

Page 1 of 5

## 1. PURPOSE

To state San Diego Housing Commission (“Housing Commission”) policy concerning the Housing Rehabilitation Program.

## 2. DEFINITIONS

- 2.1 Policy - A policy is defined as a general principal by which the Housing Commission is guided in its management of affairs, which has been established by the Housing Authority of the City of San Diego (“Housing Authority”) per SDMC Section 98.0301, or which has been delegated to the Housing Commission by action of the Housing Authority. It can be a plan or course of action intended to influence and determine decisions, actions, and other matters. A policy is not normally used to denote the manner in which the policy is achieved. The manner or method of achieving compliance with the policy would be the subject of an Administrative Regulation. Policies are reviewed and approved by the Board of Commissioners of the Housing Commission and/or Housing Authority (when required) prior to implementation. Administrative Regulations are promulgated by the President & Chief Executive Officer (“CEO”), or designee, administratively. In addition, Guidelines are also promulgated by the CEO, or designee, administratively, and deal with method of achieving goals of the Commission, which are not the subject of Housing Commission policy.
- 2.2 Area Median Income (“AMI”) - Median income levels determined and published annually by the U.S. Department of Housing and Urban Development for metropolitan statistical areas.
- 2.3 Low Income - Income between 50 percent and 80 percent of the AMI, as adjusted by household size.
- 2.4 Very Low Income - Income up to 50 percent of the AMI, as adjusted by household size.
- 2.5 Moderate Income – Income over 80 percent of the AMI, as adjusted by household size.

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**EFFECTIVE DATE:** TBD

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**SUBJECT:** HOUSING REHABILITATION PROGRAM POLICY

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## 3. POLICY

- 3.1 Housing Rehabilitation's primary objective is the improvement of substandard conditions in housing which provides a safe, decent and sanitary living environment principally for persons of low and moderate income.
- 3.2 The Housing Commission shall operate Housing Rehabilitation Programs in accordance with all applicable Federal, State or local laws and regulations.
- 3.3 The Program shall be administered in accordance with regulations governing the source(s) of funds utilized.
- 3.4 Properties with structures built prior to 1979 shall be subject to City of San Diego Lead Hazard and Prevention Control Ordinance O-17454. Federally funded projects built before 1978 shall be subject to Title X of the Housing and Community Development Act of 1992 and related regulations and guidelines.
- 3.5 The Housing Commission recognizes the need for a Housing Rehabilitation Program to help meet the local need for safe, decent, and sanitary housing units affordable to low and moderate income families. The Housing Commission further recognizes the need for technical assistance and favorable financing for rehabilitation activities.
- 3.6 To the maximum extent possible, the Housing Commission cooperates with the City's Code Enforcement Program, and recognizes that the Code Enforcement Program and the Housing Rehabilitation Program represent a coordinated effort in the successful community revitalization of neighborhoods. Eligible applicants referred to the Housing Commission by Code Enforcement will receive priority assistance.
- 3.7 The Housing Rehabilitation Program shall utilize available program funding in a cost effective manner.
- 3.8 For purposes of the Housing Rehabilitation Program, the Housing Commission recognizes the income levels defined in the respective grant conditions. The income of eligible applicants shall not exceed the maximum AMI established for the specific program(s) being applied for.
- 3.9 Applications shall be accepted on a city-wide basis. Applicants of targeted rehabilitation programs must reside within the boundaries of the operating areas.

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**SUBJECT:** HOUSING REHABILITATION PROGRAM POLICY

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- 3.10 Rehabilitation loans will follow existing processing procedures currently in place for the Housing Commission's Rehabilitation Program.
- 3.11 Housing rehabilitation loans will be underwritten in accordance with the existing Housing Commission underwriting standards, as they may be amended from time to time.
- 3.12 Loan terms are established for each funding source. Qualification for the terms of a specific loan shall be based upon the applicant's ability to meet the underwriting criteria.
- 3.13 For the purpose of program eligibility determination, the income of an applicant shall include all verifiable income of adults (18 years of age and older) in the household.
- 3.14 Rehabilitation loans will not be originated unless all health, safety and code violations can be corrected. All residential units must at minimum meet Uniform Physical Conditions Standards (UPCS).
- 3.15 The Housing Commission shall take all actions necessary to assure that eligible tenants are given the opportunity to receive applicable State and/or Federal temporary relocation benefits in accordance with the Housing Commission Acquisitions and Tenant Relocation Procedure Manual.
- 3.16 Administrative regulations shall be developed and maintained, and shall be made available to staff to provide direction concerning policy implementation. These Administrative regulations shall be amended from time to time as necessary.
- 3.17 The Housing Rehabilitation Program shall discourage the funding of a second rehabilitation loan on a property to the same eligible applicant. However, each request for a subsequent loan will be reviewed on an individual basis. Special consideration may be given in the event of natural disasters, failure of a major system or the presence of other health and safety hazards. In all instances staff will inspect the property to insure the owner has made a good faith effort to maintain the property since the funding of the original rehabilitation loan. A request for additional rehabilitation assistance from an eligible applicant may be funded with a grant as long as the applicant is eligible and the repairs are justified.
- 3.18 The rules for eligibility and terms and conditions for rehabilitation of owner-occupied 1-4 unit properties, including mobile homes, are set forth within the applicable funding sources requirements imposed by the terms of the various grants. The Housing Commission shall follow those requirements, as they may be amended from time to time. The Housing Commission shall follow applicable local, state and federal law in operating

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the various owner-occupied rehabilitation programs administered by the Housing Commission. The terms and conditions for each program are available from the Housing Commission upon request and are contained within the applicable Administrative Regulations.

- 3.19 To the extent that any former Redevelopment Agency funds exist pursuant to a Redevelopment Area Rehabilitation Program, the Housing Commission shall follow the requirements of that Program, as those requirements are referenced within fact sheets on file in the office of the Housing Commission, and in accordance with former Redevelopment Law, to the extent still applicable and as further defined within the applicable Administrative Regulations.
- 3.20 The rules for eligibility and terms and conditions for the rental property rehabilitation shall be in strict compliance with all applicable federal, state or local laws.
  - a. For eligible rental property owners the following revocable grants will be available for the following types of programs as long as funds exist:
    1. Lead-Based Paint Hazard Control Grant to eliminate lead paint hazards in properties constructed prior to 1979 with the goal of preventing childhood lead poisoning. Priority will be given to properties occupied or frequently visited by children less than six years of age. At the time of the promulgation of this policy, grants up to \$5,000 per unit, plus \$5,000 for common areas is available for multi-family properties; or up to \$10,000 for a single family residence to cover costs of material and labor to remove lead hazards. Costs for lead testing, clearance inspection, operations and maintenance plans and any temporary relocation if necessary is covered separately by the grant. Terms and conditions of a grant may change from time to time as determined necessary to comply with the applicable grant requirements.
    2. Healthy Homes Grant to address other household hazards, such as pest management, air quality, debris removal, asthma/allergy triggers and fall hazards. Terms and conditions of a grant may change from time to time as determined necessary to comply with the applicable grant requirements.
    3. All of the requirements rental property rehabilitation are on file in the offices of the Housing Commission, in the Administrative Regulations concerning rental Property program, as those may be amended from time to time.



# POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO-RED-318.01

**SUBJECT:** HOUSING REHABILITATION PROGRAM POLICY

Page 5 of 5

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**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

**History:**

7/20/1987  
05/15/1989  
09/18/1989  
11/14/1994

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05/25/1999



# POLICY

**EFFECTIVE DATE:** 12/5/78

**NO:** PO-BEF-301.01

**REVISION HISTORY:** *(Old Section 98.29, added 12/3/68 by O-9925 N.S.)*  
*(Amended 10/21/69 by O-10160 N.S.)*  
*(Amended 4/21/70 by O-10272 N.S.)*  
*(Amended 3/24/76 by O-11817 N.S.)*  
*(Amended 3/20/78 by O-12319 N.S.)*  
*(Amended 12/5/78 by O-12515 N.S., title changed*  
*to San Diego Housing Commission)*  
*(Amended 8/6/84 by O-16256 N.S.)*  
*(Amended and renumbered 9/30/85 by O-16511*  
*N.S.)*  
*(Amended 10/6/86 by O-16721 N.S.)*  
*(Amended 9-8-87 by O-16935 N.S.)*  
*(Amended 1-31-94 by O-18030 N.S.)*  
*(Amended 4-25-94 by O-18062 N.S.)*

**SUBJECT:** San Diego Housing Commission Creation: Municipal Code Section 98.0301

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**SAN DIEGO MUNICIPAL CODE CHAPTER IX**  
**Article 8 Housing**  
**Division 3 San Diego Housing Commission**

**§ 98.0301 San Diego Housing Commission**

- (a) **Creation of Commission:** There is hereby created a Commission to act as a Housing Commission under the Housing Authority Law of the State of California. The name of the Commission shall be the San Diego Housing Commission. The San Diego Housing Commission is granted all rights, powers and duties of a Housing Authority pursuant to the provisions of the California Health and Safety Code except those expressly retained by the Housing Authority of The City of San Diego in this section.
- (b) **Definitions:** As used in this article, the following definitions apply:
- (1) "City" shall mean the City of San Diego;
  - (2) "City Council" shall mean the City Council of the City of San Diego;
  - (3) "Commission" shall mean the San Diego Housing Commission, a public agency created pursuant to State Health and Safety Code;
  - (4) "Housing Authority" shall mean the Housing Authority of the City of San Diego, a state agency created pursuant to section 34200 et seq. of the State Health and Safety Code;
  - (5) "Mayor" shall mean the Mayor of the City of San Diego;
  - (6) "Member" shall mean a member of the San Diego Housing Commission;
  - (7) "Person of low income" shall mean a group or family which lacks the amount of income which is necessary as determined by the Housing Authority to enable it without financial assistance to live in decent, safe, sanitary dwellings without overcrowding.
- (c) **Investigatory and Advisory Functions of the Commission:** The investigatory and advisory functions of the San Diego Housing Commission shall include, but not necessarily be limited to, the following:

# POLICY

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**REVISION HISTORY:** *(Old Section 98.29, added 12/3/68 by O-9925 N.S.)*  
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*(Amended 4-25-94 by O-18062 N.S.)*

**SUBJECT:** **San Diego Housing Commission Creation: Municipal Code Section 98.0301**

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- (1) Investigate living, dwelling and housing conditions in the City of San Diego and the means and methods of improving such conditions;
  - (2) Determine where there is a shortage of decent, safe and sanitary dwelling accommodations for persons of low income.
  - (3) Engage in research, studies and experiments on the subject of housing.
  - (4) Make recommendations to the Housing Authority for changes or revisions in policies of the Housing Authority.
  - (5) Review and recommend revisions to personnel policies and procedures.
  - (6) Review and recommend action on annual administrative and operating budgets.
  - (7) Perform such other functions as may be delegated from time to time to the Commission by the Housing Authority.
  - (8) Review and make recommendations on all matters to come before the Housing Authority prior to their action, except emergency matters and matters which the Commission, by resolution, excludes from Commission review and recommendation.
- (d) **Administrative Functions of the Commission:** The administrative functions of the Commission shall include the following:
- (1) Approve plans and specifications, authorize advertisements for bids and proposals, accept and reject bids and proposals, and approve expenditures for goods, services, public works, land clearances, loans, grants, claims, leases and other interests in real property, and other contracts and agreements; however, the programs, projects or activities for such expenditures shall have been previously approved by the Housing Authority, or the expenditures shall be for items included in budgets previously approved by the Housing Authority.
  - (2) Approve submission of applications for funds where such applications do not constitute a binding agreement to accept such funds, if awarded; and approve contracts for the receipt of such funds if the program, project or activity for which such funds are received has been previously approved by the Housing Authority.
  - (3) Approve guidelines for the administration of programs previously approved and funded by Housing Authority.
  - (4) Approve agreements assigning the rights and obligations of a party to a contract with the Housing Authority, to a new party.
  - (5) Approve conflict of interest codes prior to adoption by the Housing Authority.
  - (6) Approve lease forms, grievance procedures, occupancy policies, rent and utility schedules, tenant council agreements and other HUD-required documents for the administration of public housing and rent subsidy programs.

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*(Amended 10/21/69 by O-10160 N.S.)*  
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*(Amended 4-25-94 by O-18062 N.S.)*

**SUBJECT: San Diego Housing Commission Creation: Municipal Code Section 98.0301**

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(7) Act upon such other matters as the Housing Authority may from time to time delegate by resolution to the Commission.

(8) Notwithstanding Section 98.0301(d)(1) through (7), the actions of the Housing Commission upon the following administrative matters shall be advisory only:

- (i) Approval of any proposed acquisition, sale, or lease of real property for a term in excess of five (5) years;
- (ii) Approval of any development project or rehabilitation loan commitment involving the expenditure of more than \$250,000 by the Housing Commission;
- (iii) Approval of any contract for acquisition of goods or services (other than a construction contract for a development project) involving the expenditure of more than \$100,000 by the Housing Commission;
- (iv) The establishment or approval of any major new policy relating to the method of operations of the Housing Commission.

The recommendation of the Housing Commission on these matters shall be referred for final action at the next available agenda of the Housing Authority. By resolution passed by majority vote, the City Council may, at any time, add, delete or otherwise modify the items on which the Housing Commission is advisory.

Notwithstanding anything to the contrary in Section 98.0301(d)(8), in circumstances where it is not feasible to obtain review and approval by the Housing Authority on or before the established deadline, the Executive Director shall have the authority to execute documents required to be executed by the United States Department of Housing and Urban Development ("HUD") or other agencies in a timely manner in order to meet any deadlines imposed by those agencies. In addition, the Executive Director shall have the authority, without prior Housing Authority approval, to prepare and submit applications for funding in support of programs consistent with the Housing Commission's approved mission and goals.

(e) **Finality of Actions:**

(1) All actions of the Commission taken pursuant to Section 98.0301(d) shall be final seven (7) days after action by the Commission, except for actions of the Commission for which a review by the Housing Authority has been requested pursuant to Section 98.0301(e) and except for those actions which require final action by the Housing Authority pursuant to Section (d)(1)(8).

(2) One or more of the persons set forth below, in the manner set forth below, may elect to refer a matter to the Housing Authority for final action, within seven (7) days after the date of the action:

- a. The Commission, by motion.
- b. The Executive Director of the Housing Authority, by notifying the Chairperson of the Commission.

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**EFFECTIVE DATE:** 12/5/78

**NO:** PO- BEF-301.01

**REVISION HISTORY:** *(Old Section 98.29, added 12/3/68 by O-9925 N.S.)*  
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*(Amended 1-31-94 by O-18030 N.S.)*  
*(Amended 4-25-94 by O-18062 N.S.)*

**SUBJECT:** **San Diego Housing Commission Creation: Municipal Code Section 98.0301**

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c. Three (3) members of the City Council or the City Manager, by written notice to the Executive Director.

(3) If a matter is referred to the Housing Authority for final action, the Executive Director shall promptly set the matter on the next available agenda of the Housing Authority, and the action taken by the Commission shall be advisory.

(f) **Appointment of Commission Members.** The Commission shall consist of seven (7) members who shall be appointed by the Mayor with the approval of the City Council. Four members shall constitute a quorum and the affirmative vote of four members shall be necessary for any action by the Commission.

(1) Two (2) commissioners appointed pursuant to this section shall be tenants of housing authority units. At least one (1) commissioner so appointed shall be over 62 years of age.

(2) The term of office of each member shall be four (4) years, except that the terms of office of the two (2) members who are tenants of Housing Authority units shall be two (2) years and as set forth in Section 34272 of the Health and Safety Code of the State of California.

(3) Vacancies occurring during a term shall be filled for the unexpired term by the Mayor with the approval of the City Council. A member shall hold office until his successor has been appointed and qualified.

(4) Each member shall receive as compensation the sum of Fifty Dollars (\$50.00) for each Commission meeting attended; provided that the total compensation for each member shall not exceed One Hundred Dollars (\$100.00) in any one month. In addition, each member shall receive necessary travel and subsistence expenses incurred in the discharge of his duties. Any member may waive compensation by filing a written waiver of compensation form with the Executive Director.

(5) For inefficiency, neglect of duty, or misconduct in office, a member may be removed upon the affirmative vote of a majority of the members of the City Council.

(g) **Organization of the Commission:** At its first meeting the Commission shall determine the time, place and frequency of its meetings. The Commission may adopt rules of procedure for the conduct of its business and may do any other thing necessary or proper to carry out its functions.

(h) **Indemnification of Members:** To the fullest extent that Commission would itself be permitted by law, and to the extent that insurance and other resources available to Commission are inadequate, City shall indemnify members of the Commission, including former members, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any threatened, pending or completed action or proceeding, whether civil or administrative. Expenses shall include, without limitation, attorney's fees and any expenses of establishing a right to indemnification.

City shall, where indemnification is warranted as provided above, advance expenses incurred by a member in defending any such proceeding, before final disposition thereof, on receipt by City of an undertaking on behalf of

# POLICY

**EFFECTIVE DATE:** 12/5/78

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*(Amended 10/21/69 by O-10160 N.S.)*  
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*(Amended 1-31-94 by O-18030 N.S.)*  
*(Amended 4-25-94 by O-18062 N.S.)*

**SUBJECT:** **San Diego Housing Commission Creation: Municipal Code Section 98.0301**

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that member that the advance will be repaid unless it is ultimately determined that the member is entitled to be indemnified by City for those expenses.

**Approved:**

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Jeff Davis  
Executive Vice President & Chief of Staff

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Date

DELETED



# POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO-BEF-301.01

**SUBJECT:** Establishment of the Commission

Page 1 of 2

In 1968, the City Council (through Resolution No. 194944) established the City of San Diego Housing Authority, and pursuant to section 34290 of the Housing Authorities Law the Council declared itself to be the Commissioners of the Housing Authority. In 1978, the City Council (through Ordinance No. 12515 NS) established the San Diego Housing Commission to investigate and advise the City regarding housing issues and to administer housing programs. These events took place, in part, as a response to:

a. The Federal Housing Act of 1937 (42 U.S.C. Section 1437) which reads in part as follows:

"It is the policy of the United States to promote the general welfare of the Nation by employing its funds and credit... to assist the several States and their political subdivisions to remedy the unsafe and unsanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of low income..." and

b. The Federal Housing Act of 1949 (42 U.S.C. Section 1441) which reads in part as follows:

"The Congress declares that the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing ... and the realization ... of the goal of a decent home and a suitable living environment for every American family.... The Congress further declares that governmental assistance to eliminate substandard and other inadequate housing through the clearance of slums and blighted areas, to facilitate community development and redevelopment, and to provide adequate housing for urban and rural nonfarm families with incomes so low that they are not being decently housed in new or existing housing shall be extended..... and

c. California Government Code 65580 (adopted in 1967) which reads in part as follows:

"Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community."

**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

# POLICY TEMPLATE

**EFFECTIVE DATE:** TBD

**NO:** PO- BEF-301.01

**SUBJECT:** Establishment of the Commission

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**History:**

7/20/1987

**Revision Date:**

8/1/1989

DELETED





# POLICY

**EFFECTIVE DATE:** TBD **NO:** PO-RED-347.01  
**SUBJECT:** HOUSING PROGRAM LENDING AUTHORITY

Page 1 of 5

## 1 Purpose

To state San Diego Housing Commission (“Housing Commission”) loan underwriting policy and program parameters guidelines for lending and granting funds to finance first-time homebuyer and minor rehabilitation housing activities.

## 2 Definitions

All technical words and terms, if any, are defined within the text of these policy or within the other policies, ordinances, laws, rules and regulations referred to within this Policy.

## 3 Policy

3.1 ~~All San Diego Housing Commission Housing Commission loans and grants will be approved in accordance with the stated Authority levels as shown on the attached Underwriting Criteria. All loans referenced in Underwriting Criteria Level 1 may be shall be approved by the President & Chief Executive Officer of the San Diego Housing Commission (“CEO”) or designee. All loans exceeding the established Underwriting Criteria shall be approved by the Housing Commission Board of Commissioners. All loans referenced in Underwriting Criteria Level 2 may be approved by the Loan Committee. All other loans requiring Board of Commissioners of the San Diego Housing Commission (“Board of Commissioners”) approval will first be presented to the Real Estate Committee as an advisory Board to the Commission.~~

Loan and grant programs which have “tailored” terms and conditions expressly approved by the Board of Commissioners may vary from the Underwriting Criteria. The specific terms or conditions must be stated within the approved program. If a loan meets all the Underwriting Criteria as stated in Level One, with the exception of the tailored program terms, the loan may be approved by the CEO or designee.

3.2 All loans exceeding the CEO’s expenditure and approval authority set forth in the Housing Commission Statement of Procurement Policy PO-PUR-373.01 shall be approved by the Housing Commission Board of Commissioners. All loans exceeding the Housing Commission Board of Commissioners expenditure and approval authority shall be approved by the Housing Authority of the City of San Diego Board.



# POLICY

EFFECTIVE DATE: TBD NO: PO-RED-347.01  
SUBJECT: HOUSING PROGRAM LENDING AUTHORITY

~~3.4~~

~~3.53.3 In the event that an applicant has applied for grant funds in addition to loan funds, the requests shall be underwritten independently and in accordance with the criteria and limits stated in the attached Underwriting Criteria.~~

~~3.6~~

~~3.73.4 Notwithstanding levels of review specified in 2.1 above, processing and presentation by staff directly to the Board of Commissioners may be available for projects which meet Board of Commissioners authorized criteria contained in a published Notice of Funding Availability.~~

~~3.83.5~~

~~In the absence of a functioning Loan Committee, the Board of Commissioners shall consider and may approve loans as specified in Level Two of the Underwriting Criteria.~~

~~3.93.6~~

~~In the event that a loan application is not approved in accordance with Levels One and Two of the Underwriting Criteria, the applicant may request the decision be reviewed at a higher level, with the highest level being the Board of Commissioners.~~

~~3.103.7~~

~~A bi-annual quarterly report shall be provided to the Board of Commissioners stating all loans funded during that reporting period, status of loans in default and disclosure of all loans modified by the CEO or the Loan Committee. The report will be forwarded to the Land Use and Housing Committee, on an informational basis, twice annually.~~

**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

**History:**

- 7/20/1987
- 5/13/1991
- 11/14/1994
- 8/19/1996
- 5/15/1999



SAN DIEGO  
HOUSING  
COMMISSION

# POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO-RED-347.01

**SUBJECT:** HOUSING PROGRAM LENDING AUTHORITY

Page 3 of 5

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**Revision Date:**

6/18/2010

**SAN DIEGO HOUSING COMMISSION**  
**UNDERWRITING APPROVAL THRESHOLDS FOR LOANS AND GRANTS**

<b>LEVEL ONE</b>				
<b>CHIEF EXECUTIVE OFFICER: The Chief Executive Officer or designee may approve loans which meet all of the following underwriting criteria:</b>				
	<b>FIRST TIME HOMEBUYER PROGRAM</b>	<b>ONE DWELLING UNIT OWNER OCCUPIED</b>	<b>2 TO 4 DWELLING UNITS WITH 1 UNIT OWNER OCCUPIED</b>	<b>1 TO 4 UNITS RENTALS</b>
A. Loan and/or Unit Limits	17% of Purchase Price <u>Not to exceed \$100,000</u>	\$100,000	\$100,000	\$100,000
B. Maximum Loan-to-Completion Value Ratio	97%	95%	95%	90%
C. Owner Debt-to-Income Ratio	45%	45%	45%	40%
D. Property Debt Service	N/A	N/A	N/A	1.1
E. Approved Management and Affirmative Marketing Plan	N/A	N/A	N/A	N/A
F. Approved Operating Budget	N/A	N/A	N/A	Required
G. No Balloon Payment on Senior Liens				
H. Verifiable Owner Income				
I. Acceptable Credit <del>Record</del> <u>History</u>				
J. Property Taxes are current				
K. <del>No outstanding Judgment not to exceed \$1,000 or subordinate to Housing Commission Loan</del>				
L. Secure by Recourse Note and Trust Deed on the subject property				
M. No Negative Amortization				
N. Grants and unsecured loans not to exceed \$50,000				

**SAN DIEGO HOUSING COMMISSION**  
**UNDERWRITING APPROVAL THRESHOLDS FOR LOANS AND GRANTS**

**LEVEL TWO**

~~LOAN REAL ESTATE COMMITTEE: The Loan Real Estate Committee shall consider and may approve all loans which do not fall within the criteria cited in Level One, subject to the following limitations:~~

	<b>FIRST TIME HOMEBUYER PROGRAM</b>	<b>ONE DWELLING UNIT OWNER OCCUPIED</b>	<b><del>2 TO 4 DWELLING UNITS WITH 1 UNIT OWNER OCCUPIED</del></b>	<b><del>1 TO 4 UNITS RENTALS</del></b>
<del>A. Loan and/or Unit Limits</del>	<del>17% of purchase price</del>	<del>\$100,000</del>	<del>\$100,000</del>	<del>\$100,000</del>
<del>B. Maximum Loan to Completion Value Ratio</del>	<del>97%</del>	<del>95%</del>	<del>95%</del>	<del>90%</del>
<del>C. Owner Debt to Income Ratio</del>	<del>55%</del>	<del>55%</del>	<del>50%</del>	<del>50%</del>
<del>D. Property Debt Service</del>	<del>N/A</del>	<del>N/A</del>	<del>N/A</del>	<del>1.05</del>
<del>E. Approved Management Plan</del>	<del>N/A</del>	<del>N/A</del>	<del>N/A</del>	<del>N/A</del>
<del>F. Approved Operating Budget</del>	<del>N/A</del>	<del>N/A</del>	<del>N/A</del>	<del>Required</del>
<del>G. Balloon Payments on Senior Liens — 5 or more years</del>				
<del>H. Negative Amortized Loans permitted if overall Loan to Completion value does not exceed 80%</del>				
<del>I. Secured by Recourse Note and Trust Deed on the subject property</del>				
<del>J. Grants and unsecured loans not to exceed \$100,000</del>				



# POLICY

**EFFECTIVE DATE:** TBD **NO:** PO-RED-347.01  
**SUBJECT:** HOUSING PROGRAM LENDING AUTHORITY

Page 1 of 3

## 1 Purpose

To state San Diego Housing Commission (“Housing Commission”) loan underwriting policy and guidelines for lending and granting funds to finance first-time homebuyer and minor rehabilitation housing activities.

## 2 Definitions

All technical words and terms, if any, are defined within the text of these policy or within the other policies, ordinances, laws, rules and regulations referred to within this Policy.

## 3 Policy

3.1 All Housing Commission loans and grants will be approved in accordance with the stated Authority levels as shown on the attached Underwriting Criteria. All loans shall be approved by the President & Chief Executive Officer of the Housing Commission (“CEO”) or designee. All loans exceeding the established Underwriting Criteria shall be approved by the Housing Commission Board of Commissioners.

Loan and grant programs which have “tailored” terms and conditions expressly approved by the Board of Commissioners may vary from the Underwriting Criteria. The specific terms or conditions must be stated within the approved program. If a loan meets all the Underwriting Criteria as stated in Level One, with the exception of the tailored program terms, the loan may be approved by the CEO or designee.

3.2 All loans exceeding the CEO’s expenditure and approval authority set forth in the Housing Commission Statement of Procurement Policy PO-PUR-373.01 shall be approved by the Housing Commission Board of Commissioners. All loans exceeding the Housing Commission Board of Commissioners expenditure and approval authority shall be approved by the Housing Authority of the City of San Diego Board.

3.3 A bi-annual report shall be provided to the Board of Commissioners stating all loans funded during that reporting period, status of loans in default and disclosure of all loans modified by the CEO.



SAN DIEGO  
HOUSING  
COMMISSION

# POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO-RED-347.01

**SUBJECT:** HOUSING PROGRAM LENDING AUTHORITY

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**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

**History:**

7/20/1987  
5/13/1991  
11/14/1994  
8/19/1996  
5/15/1999

**Revision Date:**

6/18/2010

**SAN DIEGO HOUSING COMMISSION**  
**UNDERWRITING APPROVAL THRESHOLDS FOR LOANS AND GRANTS**

<b>LEVEL ONE</b>				
<b>CHIEF EXECUTIVE OFFICER: The Chief Executive Officer or designee may approve loans which meet all of the following underwriting criteria:</b>				
	<b>FIRST TIME HOMEBUYER PROGRAM</b>	<b>ONE DWELLING UNIT OWNER OCCUPIED</b>	<b>2 TO 4 DWELLING UNITS WITH 1 UNIT OWNER OCCUPIED</b>	<b>1 TO 4 UNITS RENTALS</b>
A. Loan and/or Unit Limits	17% of Purchase Price Not to exceed \$100,000	\$100,000	\$100,000	\$100,000
B. Maximum Loan-to-Completion Value Ratio	97%	95%	95%	90%
C. Owner Debt-to-Income Ratio	45%	45%	45%	40%
D. Property Debt Service	N/A	N/A	N/A	1.1
E. Approved Management and Affirmative Marketing Plan	N/A	N/A	N/A	N/A
F. Approved Operating Budget	N/A	N/A	N/A	Required
G. No Balloon Payment on Senior Liens				
H. Verifiable Owner Income				
I. Acceptable Credit History				
J. Property Taxes are current				
K. No outstanding Judgments				
L. Secure by Recourse Note and Trust Deed on the subject property				
M. No Negative Amortization				
N. Grants and unsecured loans not to exceed \$50,000				





# POLICY

**EFFECTIVE DATE:** 4/23/96

**NO:** PO-BEF-301.04

**SUBJECT:** **Competition Program**

Page 1 of 5

## 1 Background

In an environment of declining revenues and increasing demand public agencies must continually review its procedures and processes to ensure that resource use is maximized in its provision of services to the public. The San Diego Housing Commission desires to evaluate its service delivery programs to determine the best models for providing selected services based upon service quality, cost efficiency and effectiveness, and maintenance of essential public services.

## 2 Definitions

- 2.1 San Diego Housing Commission (also, "Housing Commission" or "Commission"): The housing agency for the City of San Diego which operates programs pursuant to powers delegated by the City Council and Housing Authority of the City of San Diego, and California statute.
- 2.2 Board: The Board of Commissioners; the decision-making body overseeing the San Diego Housing Commission.
- 2.3 Housing Authority of the City of San Diego ("Housing Authority"): The Public Housing Agency, or "PHA", which body has final authority over matters decided upon or recommended by the Housing Commission.
- 2.4 Executive Director: The chief executive officer of the Housing Authority and Commission.
- 2.5 Staff: The employees of the Housing Commission, who also serve as staff to the Housing Authority.
- 2.6 Alternative Service Delivery Models: Provision of services by organizations and methods other than those used by the Housing Commission. Potential providers include, but are not limited to: Housing Commission staff, other public agencies, private businesses, nonprofit organizations, volunteers, interagency or joint powers agreement agencies, and public-private organizations.
- 2.7 Competitive Procurement Process: A process used to solicit proposals, qualifications and bids from service providers, and select the best provider from whom services will be procured. Including, but not limited to, Requests for Proposals, Requests for Qualifications, formal and informal Competitive Bids.

## 3 Goal/Purpose

# POLICY

**EFFECTIVE DATE:** 4/23/96

**NO:** PO- BEF-301.04

**SUBJECT:** Competition Program

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The San Diego Housing Commission is committed to providing the highest quality service for the lowest feasible cost to the taxpayer, consistent with the Commission's Vision, Mission and Goals and Core Values. It is the goal of the San Diego Housing Commission to deliver services through the most effective and efficient means available. The Competition Program is one process the Housing Commission uses in an effort to achieve this goal.

## 4 Policy

4.1 To assure that services are provided in the most effective and efficient means available, the Housing Commission will:

- A. Benchmark its performance in selected service areas against other providers, public, private or nonprofit, of comparable services;
- B. Review and analyze operating performance measures;
- C. Evaluate how the Housing Commission could become more competitive and implement changes to reduce costs and/or increase service delivery and quality;
- D. Evaluate alternative service delivery models, determine the most appropriate model which assures the provision of program benefits, and;
- E. Implement program and organizational changes based upon the results of the process.

4.2 This Policy is not intended to apply to all service areas provided by the San Diego Housing Commission. Where applied, it is intended to assure that services are provided with the highest quality of service for the funds expended. It is the responsibility of the Executive Director to identify and recommend to the Board and Housing Authority those areas which should be candidates for evaluation and consideration for alternative service delivery models as part of the annual Budget process.

4.3 The Competition Program will be implemented in a phased manner, with a limited number of areas selected for evaluation annually. This will conserve resources and reduce program disruptions during the evaluation process and program implementation period.

## 5 Policy Guidelines

The following provisions will guide the application of this Policy. The Executive Director may establish administrative regulations consistent with this Policy.

5.1 The Housing Commission will directly deliver those services where effectiveness and efficiency is equivalent to or greater than that of alternative delivery service models and where the potential savings of the alternative would be less than ten percent for the same level of service. Variations may occur depending on the circumstances, including the program cost and savings or service quality.

# POLICY

**EFFECTIVE DATE:** 4/23/96

**NO:** PO- BEF-301.04

**SUBJECT:** Competition Program

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- 5.2 The Housing Commission may propose to provide services which are currently provided contractually. The Housing Commission may propose to provide services to other public agencies if there is a benefit to the Housing Commission, the taxpayers and/or the recipients of those services in reduced cost and/or improved service quality. In circumstances where Housing Commission forces are consistently productive and cost effective, and it is of benefit to the Housing Commission or would provide a regional benefit, the Executive Director has the option of submitting proposals for the provision of those same services to other public agencies.
- 5.3 The Executive Director will be responsible for identifying Housing Commission services and programs to be considered for competition, review and evaluate proposals, provide periodic reports to the Board and Housing Authority regarding progress and accomplishments of the program. The number of programs and services to be evaluated annually will be determined by the capacity of the Housing Commission to administer multiple processes and an evaluation of the potential gain or reduction in costs. Areas to be evaluated for alternative service delivery may include entire programs, portions of programs, discrete program activities or projects.
- 5.4 The Executive Director shall consult with labor organizations representing Housing Commission employees regarding these matters. The Executive Director may establish advisory committees as appropriate to assist in the competition process. These advisory committees may include Housing Commission staff, other public and private sector and labor organization representatives.
- 5.5 The Housing Commission staff will be given the opportunity to develop and implement efficiency and effectiveness improvements in their operations before services are opened to the competitive procurement process.
- 5.6 The Housing Commission will make every reasonable effort to assure continuing employment for its employees when change is contemplated as a result of this Policy. Where alternative service delivery results in a reduction in force, alternatives to address the status of Housing Commission employees may include, but are not limited to: reduction through attrition, transfer, hiring of qualified Housing Commission employees by a new provider, training and cross-training, or layoff. Every effort will be made to assist public employees in transition situations.
- 5.7 After Housing Commission staff have been afforded a reasonable opportunity to develop and implement efficiency and effectiveness improvements and cost reductions in their operations, the Executive Director shall perform a preliminary evaluation of the possibility of further improving the quality or reducing the cost of providing the service. If it is shown that further improvement is achievable, the Executive Director shall initiate a competitive procurement process.
- 5.8 All contracts for services remain subject to all applicable federal, state and local laws and regulations.

# POLICY

**EFFECTIVE DATE:** 4/23/96

**NO:** PO- BEF-301.04

**SUBJECT:** **Competition Program**

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## 6 Proposal Requirements

Every competitive procurement process initiated as a result of this Policy shall include and be evaluated using the following components:

- 6.1 Any proposal to open Housing Commission service delivery to the competitive procurement process will include a plan for service interruption and the assignment of mandated administrative expenses.
- 6.2 Service delivery options will be evaluated using uniform agency-wide criteria plus specific criteria related to the service under review.
- 6.3 Where public capital is invested in equipment, real property or other capital assets, the Housing Commission shall evaluate appropriate measures to assure the ability to resume operations in the case of default, changed circumstances or other eventuality which would result in later transfer of the responsibility for service provision to another provider, including reversion to the Housing Commission.
- 6.4 Every service considered for competitive procurement must be evaluated for potential cost savings versus impact on the public good, especially in the areas of service quality, reliability, safety, public health, employee compensation, economic benefit, and potential liability. Cost savings will not be the sole determining factor. Real improvements to efficiency and effectiveness will also be considered.
- 6.5 Comparison of proposals for alternative service delivery will be based upon a published basis for comparison, including evaluation of the quality of service and the ability of competing providers to assure maintenance of existing standards of quality without increasing costs. This may be accomplished by specific performance standards and financial penalties for nonperformance. Proposals will include performance and workload standards, including the ability of service providers to guarantee a consistent level of quality, uninterrupted provision of services and flexibility to adjust service delivery in response to programmatic requirements, including regulatory mandates. Providers must be able to respond to increased service delivery demands or changing service needs quickly and effectively.
- 6.6 Comparison of alternative service delivery cost estimates will be based upon a published basis of comparison, including but not be limited to direct and overhead costs, costs for administering and monitoring contracts, transition costs and liability estimates in the competitive procurement process.
- 6.7 Alternative service delivery providers will be encouraged to make efforts to the extent permitted by law to assure that their work force reflects the gender and ethnic makeup of the available work force in the community at large throughout their provision of services.
- 6.8 Comparison of alternative service delivery models will be based upon "best practices" criteria including but not limited to value analysis and an assessment of providers ability to provide the services with the resources detailed in the proposal.

# POLICY

**EFFECTIVE DATE:** 4/23/96

**NO:** PO- BEF-301.04

**SUBJECT:** Competition Program

Page 5 of 5

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6.9 In preparing proposals, the Housing Commission staff may propose organizational models different from those currently utilized. These may include, but are not limited to, "enterprise fund" business units, subsidiary business units wholly owned by the Housing Commission, and publicly chartered independent business units with management and/or boards appointed by or interlocking with the Housing Commission.

**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

**History:**

**Revision Date:**

DELETED



# POLICY

EFFECTIVE DATE: TBD

NO: PO-RED-347.02

SUBJECT: REAL ESTATE COMMITTEE

1 Purpose

To state San Diego Housing Commission (“Housing Commission”) policy and parameters concerning establishment and operation of the ~~Loan~~ Real Estate Committee.

2. Definitions

Terms and words of a technical nature are either defined within the text of this Policy or are defined in other policies, ordinances, laws, rules and regulations referenced within this Policy. If there is no such definition, the commonly understood meaning of the term or word in the affordable housing industry shall be utilized in interpreting and apply this Policy.

3. Policy

1.1 The Board of Commissioners of the Housing Commission (“the Board”) shall have established a ~~Loan~~ Real Estate Committee (“REC”) and the formation of the REC will be ratified and confirmed by action of the Board when it approves this policy. ~~to consider authorizing or recommending authorizing loans as described in Commission Policy 600.101.~~ The REC shall review the following matters before action by the Board, unless, it is determined by the President & Chief Executive Officer, or designee, of the Housing Commission, that such action by the REC cannot be accomplished in a timely manner due to matters beyond the control of the Housing Commission:

- 1.1.1 Recommendations on major loans being considered by the Housing Commission. For the purposes of this section a major loan is a loan of more than \$5,000,000;
- 1.1.2 Recommendations on acquisitions of real estate by the Housing Commission. For the purposes of this section, acquisition of real estate includes ground leases in which the Housing Commission is a ground lessee;
- 1.1.3 Recommendations on dispositions or sale of real estate owned by the Housing Commission. For the purposes of this section, sale of real estate includes ground leases in which the Housing Commission is the ground lessor; and
- 1.1.4 Such other and further transactions involving real estate, as determined by the President & Chief Executive Officer to be of a nature that review and recommendations of the REC before action by the Board is appropriate.

1.2 The ~~Loan~~ REC shall be comprised of ~~seven~~ three members, all of whom are nominated by the Chief Executive Officer and confirmed by the Board. Not less than two of the



# POLICY

EFFECTIVE DATE: TBD

NO: PO-RED-347.02

SUBJECT: REAL ESTATE COMMITTEE

members shall be current members of the Board.

- 1.3 ~~The Chief Executive Officer or designee~~ REC shall designate one member of the ~~Loan REC~~ REC Committee to serve as its chairperson.
- 1.4 ~~Every effort~~ Efforts shall be made to include nominees from the real estate, building and financial professions, as well as other professions with expertise to deal with the issues referenced within Section 1.1 of this policy, ~~and legal professions as well as at least one representative from a community-based nonprofit and/or community planning group.~~
- 1.5 Members shall be appointed by the Board for terms of ~~two~~ one year in duration, and may be reappointed to serve successive terms.
- 1.6 ~~Loan REC~~ Committee meetings shall be scheduled to take place on an ~~regular~~ as-needed basis, ~~with a minimum of ten meetings per year. Additional meetings may, from time to time, be scheduled to consider issues subject to time limitations.~~ ~~Four~~ Two members of the ~~Loan Committee~~ REC are required to make up a quorum.
- 1.7 Actions are deemed approved if a quorum is in attendance and a majority of those present have voted in support of the item.
- 1.7.1.8 All meetings of the REC shall be noticed in accordance with the provisions of the Ralph M. Brown Act.
- 1.8.1.9 The REC may meet in closed session in accordance with the applicable provisions of the Ralph M. Brown Act.

**History:**

7/20/87-as Loan Committee  
11/14/1994-as Loan Committee

**Revision Date:**

5/25/1999-as Loan Committee



SAN DIEGO  
HOUSING  
COMMISSION

**POLICY**

**EFFECTIVE DATE:** TBD

**NO:** PO-RED-347.02

**SUBJECT:** REAL ESTATE COMMITTEE

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**Approved:**

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Jeff Davis  
Executive Vice President & Chief of Staff

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Date





# POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO-RED-347.02

**SUBJECT:** REAL ESTATE COMMITTEE

Page 1 of 2

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1 Purpose

To state San Diego Housing Commission (“Housing Commission”) policy and parameters concerning establishment and operation of the Real Estate Committee.

2. Definitions

Terms and words of a technical nature are either defined within the text of this Policy or are defined in other policies, ordinances, laws, rules and regulations referenced within this Policy. If there is no such definition, the commonly understood meaning of the term or word in the affordable housing industry shall be utilized in interpreting and apply this Policy.

3. Policy

3.1 The Board of Commissioners of the Housing Commission (“the Board”) has established a Real Estate Committee (“REC”) and the formation of the REC will be ratified and confirmed by action of the Board when it approves this policy. The REC shall review the following matters before action by the Board, unless it is determined by the President & Chief Executive Officer, or designee, of the Housing Commission, that such action by the REC cannot be accomplished in a timely manner due to matters beyond the control of the Housing Commission:

- 3.1.1 Recommendations on major loans being considered by the Housing Commission. For the purposes of this section a major loan is a loan of more than \$5,000,000;
- 3.1.2 Recommendations on acquisitions of real estate by the Housing Commission. For the purposes of this section, acquisition of real estate includes ground leases in which the Housing Commission is a ground lessee;
- 3.1.3 Recommendations on dispositions or sale of real estate owned by the Housing Commission. For the purposes of this section, sale of real estate includes ground leases in which the Housing Commission is the ground lessor; and
- 3.1.4 Such other and further transactions involving real estate, as determined by the President & Chief Executive Officer to be of a nature that review and recommendations of the REC before action by the Board is appropriate.

3.2 The REC shall be comprised of three members, all of whom are nominated by the Chief Executive Officer and confirmed by the Board. Not less than two of the members shall be current members of the Board.



**POLICY**

**EFFECTIVE DATE:** TBD

**NO:** PO-RED-347.02

**SUBJECT:** REAL ESTATE COMMITTEE

- 3.3 The REC shall designate one member of the REC Committee to serve as its chairperson.
- 3.4 Efforts shall be made to include nominees from the real estate, building and financial professions, as well as other professions with expertise to deal with the issues referenced within Section 1.1 of this policy.
- 3.5 Members shall be appointed by the Board for terms of one year in duration, and may be reappointed to serve successive terms.
- 3.6 REC meetings shall be scheduled to take place on an as-needed basis. Two members of the REC are required to make up a quorum.
- 3.7 Actions are deemed approved if a quorum is in attendance and a majority of those present have voted in support of the item.
- 3.8 All meetings of the REC shall be noticed in accordance with the provisions of the Ralph M. Brown Act.
- 3.9 The REC may meet in closed session in accordance with the applicable provisions of the Ralph M. Brown Act.

**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

**History:**

7/20/1987-as Loan Committee

**Revision Date:**

5/25/1999-as Loan Committee

11/14/1994-as Loan Committee



## POLICY

**EFFECTIVE DATE:** 5/2/1988

**NO:** PO-RED-374.04

**REVISION HISTORY:** 10/16/89; 11/14/94; 05/25/99

**SUBJECT: FINANCIAL PARTICIPATION IN HOUSING DEVELOPMENT,  
ACQUISITION WITH REHABILITATION AND LARGE  
REHABILITATION PROJECTS**

Page 1 of 7

[Supersedes Policy 300.101, Issued 5/2/88, Effective 10/16/89]

### 1. PURPOSE

The San Diego Housing Commission's Mission Statement states that the mission of the agency is "to provide quality housing opportunities which improve the lives of those in need" and specifies that the Commission shall, among other goals: "assist those earning fifty percent, or less, of the Median Area Income as the highest priority", and "forge partnerships among public, nonprofit and private entities to provide housing opportunities and an integrated range of social services for segments of the community not adequately served".

- 1.1 In keeping with the stated mission, the purpose of this policy is to provide standards for Housing Commission financial involvement in residential projects.
- 1.2 It is the further purpose of this policy to provide guidelines that will maximize the public benefit resulting from Commission financial participation in housing development, acquisition with rehabilitation, and large rehabilitation projects. Large rehabilitation projects are those in which the Housing Commission's investment exceeds \$500,000.
- 1.3 While it is the purpose of this policy to provide overall guidelines for Housing Commission financial participation, the Board may authorize other terms when it determines that circumstances warrant.

### 2. DEFINITIONS

- 2.1 Very Low Income - Income up to 50 percent of the median area income, as adjusted for household size.
- 2.2 Low Income - Income between 51 percent and 80 percent of the median area income, as adjusted for household size.
- 2.3 Lower Income - Low and very low income.

# POLICY

**EFFECTIVE DATE:** 5/2/1988

**NO:** PO-RED-374.04

**REVISION HISTORY:** 10/16/89; 11/14/94; 05/25/99

**SUBJECT:** **FINANCIAL PARTICIPATION IN HOUSING DEVELOPMENT,  
ACQUISITION WITH REHABILITATION AND LARGE  
REHABILITATION PROJECTS**

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- 2.4 Standardized Income - A percentage of area median income, as adjusted for a specified household size, rather than the actual income of a given household. For lower income households, "standardized income" may not exceed 80 percent of median area income.
- 2.5 Affordable Housing - Housing for which a lower income household expends no more than 30 percent of standardized income. The 30 percent portion must include a reasonable allowance for household utilities unless utility usage is included in housing payment. The above notwithstanding, affordable housing must rent for no more than 90 percent of nonrestricted rent for comparable units within the same project.
- 2.6 San Diego Housing Commission (also, "Housing Commission" or "Commission") - Agency formed by the City of San Diego.
- 2.7 Board - The Board of Commissioners; the decision-making body overseeing the San Diego Housing Commission.
- 2.8 Housing Authority of the City of San Diego ("Housing Authority") - The Public Housing Agency, or "PHA", which body has final authority over matters decided upon or recommended by the Housing Commission.
- 2.9 CEO - The Chief Executive Officer of the Housing Commission.
- 2.10 Staff - The employees of the Housing Commission, who also serve as staff to the Housing Authority.
3. POLICY
- 3.1 Project Sponsors - The Housing Commission may participate in projects with for-profit, nonprofit, or public agency sponsors or may be the sole sponsor of projects.
- 3.2 Extent of Assistance - The amount and terms of the Commission's assistance shall be determined by and limited to that which is necessary to produce the public benefit described in 3.4.
- 3.3 Community Objectives - Consistent with the City of San Diego's "balanced community" objectives, as expressed in City Council Policy 600-19, projects that will provide affordable housing for lower income households in areas of the city under-represented by

# POLICY

**EFFECTIVE DATE:** 5/2/1988

**NO:** PO-RED-374.04

**REVISION HISTORY:** 10/16/89; 11/14/94; 05/25/99

**SUBJECT: FINANCIAL PARTICIPATION IN HOUSING DEVELOPMENT,  
ACQUISITION WITH REHABILITATION AND LARGE  
REHABILITATION PROJECTS**

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such households are to be encouraged. Likewise, projects that would substantially increase the proportion of lower income households in areas which have a disproportionate share of such households are to be avoided, unless it can be demonstrated that the proposed projects will contribute in a positive manner to community revitalization efforts.

### 3.4 Public Benefit

- A. Affordability - All projects in which the Commission participates shall have at least 20 percent of the housing units affordable to low income households, and, since assisting those earning fifty percent, or less, of the median area income is the highest priority goal of the Commission, preference shall be given to projects with at least 20 percent of the units affordable to very low income households.
- B. Duration of Restrictions - The affordability conditions imposed on a project in which the Commission participates shall prevail for no less than the longer of:
- (1) the term of the Commission's loan or investment, or
  - (2) fifteen years.
- Prepayment of a loan shall not reduce the term of affordability.
- C. Exceeding 20 Percent of Units Affordable - Preference shall be given to projects in which more than the minimum number/percentage of units will be guaranteed affordable for lower income households.
- D. Prolonging Restrictions - Preference shall be given to projects in which the units will remain income-restricted and cost-restricted for longer than the minimum time required.
- E. Serving Special Needs - Projects involving housing designed to serve special needs which the private market typically does not address shall receive more favorable consideration.
- F. Preserving Housing Stock - Projects which do not involve demolition of existing residential units in good or reparable condition will receive preference.

# POLICY

**EFFECTIVE DATE:** 5/2/1988

**NO:** PO-RED-374.04

**REVISION HISTORY:** 10/16/89; 11/14/94; 05/25/99

**SUBJECT: FINANCIAL PARTICIPATION IN HOUSING DEVELOPMENT,  
ACQUISITION WITH REHABILITATION AND LARGE  
REHABILITATION PROJECTS**

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- G. Minimizing Displacement - Projects which minimize displacement of current residents, businesses, or organizations are preferred.
- H. Leveraging - Projects which leverage the Commission's financial investment to derive extra public benefit from the funds expended will receive preference.

### 3.5 Form of Participation

The Housing Commission may participate as a sponsor, an owner, a profit participant, a lender or guarantor (to the extent legally permissible), a grantor, a lessor or seller of land, or in a combination of capacities. Leases of Commission-owned land are preferred to sales and loans are preferred to grants, in order to preserve Commission assets and recycle Commission funds.

### 3.6 Terms of Financial Participation

All financial participation agreements shall be structured to ensure that:

- A. the project will be able to meet all financial obligations (reasonable operating expenses, debt service, and appropriate reserves);
- B. the housing shall remain affordable to the designated lower income population for the duration of the affordability restrictions;
- C. the Commission's financial interests and legal position are protected; and
- D. the terms, including the amount of the Commission's investment, are commensurate with the public benefit.

## 4. PROCEDURES

### 4.1 Program Marketing

Requests for Proposals - As a general rule, when appropriate new funding becomes available, the Commission will issue Requests for Proposals (RFP's) or Notice of Funding Availability (NOFAs) related to the Commission's Mission and Goals and to specific program objectives. Each RFP/NOFA shall ask for the information needed to adequately evaluate the public benefit, soundness of the proposal, financial feasibility, compatibility

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with neighboring land uses and properties, expectation of timely delivery, experience and financial capacity of the proposer, and potential conflicts of interest of the proposer. Other requirements may be specified in the RFP/NOFA as circumstances warrant.

Where an RFP or NOFA is not practical or in the best interests of the Commission, proposals may be accepted for consideration outside the standard process. When this occurs, staff's recommendation shall include justification for foregoing the standard process and the Board shall grant or withhold specific authorization to proceed.

## 4.2 Proposal Evaluation and Selection

- A. All proposals received in response to an RFP/NOFA shall be assessed by staff for completeness and responsiveness to the RFP/NOFA and shall then be evaluated by an ad hoc review committee, made up of parties with expertise applicable to such evaluation.

The review committee shall then rate the proposals based on specific criteria in the RFP/NOFA.

- B. Environmental Review - State and federal laws require a determination to be made for each project either that the project is exempt from environmental review or that environmental review is needed. The type of project contemplated and the circumstances of a particular project determine the appropriate level of review. A statement of environmental exemption or the findings of an environmental review must be available to a public body when deciding whether to approve or reject the project. Staff will, at the earliest time practical, advise project proponents about environmental review requirements and will provide guidance as to how to satisfy these requirements before presentation to the Board.

- C. Community Review - Proposals which involve new construction, increased density, a change of use, acquisition of more than fifteen units on one site, or public ownership of property and which are deemed acceptable by the Chief Executive Officer, upon advice from the review committee, shall be submitted to appropriate groups representing the communities in which they are proposed to be located, such as planning groups, project area committees, or town councils. For projects requiring Board approval, input from the community groups regarding

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**EFFECTIVE DATE:** 5/2/1988

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**REVISION HISTORY:** 10/16/89; 11/14/94; 05/25/99

**SUBJECT:** **FINANCIAL PARTICIPATION IN HOUSING DEVELOPMENT,  
ACQUISITION WITH REHABILITATION AND LARGE  
REHABILITATION PROJECTS**

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use and design aspects of the proposals shall be incorporated into staff reports and recommendations to the Board.

- D. Legal Review - The Commission's General Counsel shall review and comment on the Developer's Disclosure Statements and any other aspects, as deemed appropriate by the Chief Executive Officer, of proposals to be submitted for Board consideration.
- E. Board Approval - When considering proposals for financial participation, the Board will take into account prior review by other duly constituted bodies, including the Loan Committee. The Board may accept, reject, or authorize staff to negotiate the terms of any proposal.

#### 4.3 Requirements and Ratification of Financial Participation Contracts

- A. Contract Safeguards - All financial participation contracts shall include appropriate safeguards to protect the public interest and investment, to assure timely performance by the other party(ies), and to ensure that pertinent laws and regulations are observed.
- B. Underwriting Criteria - Ratification of all financial participation contracts shall be consistent with the Commission's underwriting criteria, which are set forth in Policy No. 600.101, "Housing Program Lending Authority".
- C. Legal Review - Prior to execution, all financial participation contracts or agreements shall be reviewed and approved by the Commission's General Counsel.
- D. Housing Authority Ratification - Long-term leases or sales of Commission-owned property also require Housing Authority ratification, regardless of amount of investment or number of units involved.
- E. Contract Amendments - The Chief Executive Officer may authorize amendments to loan agreements which, in total, exceed the contract amount by no more than the lesser of five percent or \$50,000, if unforeseeable circumstances raise costs during development. Whenever the Chief Executive Officer authorizes such amendments to loan agreements, the circumstances and amounts shall be promptly reported to the Board.



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## 4.4 Project Implementation

- A. Primacy of Regulatory Agreement - To assure that affordability restrictions remain in effect at least as long as the term of the Commission's loan, Conditions, Covenants, and Restrictions (CC&R) encompassing those restrictions shall be recorded prior to the Commission's deed of trust. (Note: Upon foreclosure of superior deed of trust, the CC&R's will be extinguished).
- B. Disbursement of Commission Funds - Commission funds shall be disbursed in such manner as to afford greatest protection for those funds. In most cases, a fund control should be used. Whenever feasible without jeopardizing the project, the developer's other loan or grant funds shall be disbursed before the Commission's funds.

**Approved:**

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Jeff Davis  
Executive Vice President & Chief of Staff

Date

DELETED



# POLICY

**EFFECTIVE DATE:** 4/13/79

**NO:** PO-RED-374.01

**REVISION HISTORY:** 10/19/87

**SUBJECT:** SELECTION OF SITES FOR REAL ESTATE ACQUISITION

Page 1 of 3

1 Purpose

In keeping with the mission of the Housing Commission “to strive to assure every San Diegan the opportunity for an affordable home in a suitable living environment,” and in recognition of the fact that HUD’s Public Housing Program is no longer expanding and does not provide enough resources to house San Diego’s low and very low income households, it is the intent of the Commission to conservatively leverage its former public housing stock in combination with other financial resources both public and private to develop additional housing affordable at 80% area median income and below that will remain affordable in perpetuity and that will be owned by the Housing Commission and managed by the Housing Commission and/or other private management companies in order to expand affordable housing opportunities citywide.

2 Scope

To provide general guidelines for the selection of sites to pursue for real estate acquisition.

3 Definitions

3.1 XXXX - .

3.2 XXXX - .

4 Objectives – The site fulfills one of the following stated objectives:

- a. A geographic balance of new affordable units across the city in support of the City’s balanced community policy.
- b. Offers economic sustainability in the overall real estate portfolio so that the number of very low income developments (30% - 40% AMI) is balanced by developments at low income levels (70% - 80% AMI).
- c. The portfolio provides a mix of family, senior, workforce and permanent supportive housing.
- d. The overall real estate portfolio provides investment with 40% being public-private partnerships and 60% solely government-owned or I partnership with other governmental agencies.

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- e. Sites are located near public transportation, schools and services appropriate for the particular population to be served.
  - f. The development includes to the greatest extent feasible energy conservation measures, water conservation measures and sustainable materials.
  - g. All acquisitions shall comply, where applicable, with: (i) Uniform Relocation and Real Property Acquisitions Policy Act and California Relocation Assistance and Real Property Acquisition, (ii) Prevailing Wage Law and Federal Davis-Bacon Wage law, (iii) Environmental review under CEQA and NEPA.
  - h. Proposed sites shall be presented to the community planning group in the neighborhood in which they are located for input prior to presentation to the Housing Commission for approval of the acquisition.
- 4 Specific Parameters - The parameters that follow shall be adhered to as closely as possible, but with an awareness that potential sites may conform to certain of the criteria while diverging from others. In these cases, the Commission will exercise its discretion based on the best information and most careful analysis available.
- a. Rents shall be affordable at 80% area median income or less.
  - b. The acquisition price shall not exceed appraised value.
  - c. Sites of 50 units or greater are preferred
  - d. Potential sites shall be ranked on a matrix that considers cost per unit, financial leverage of resources used to acquire the site, ratio of public versus private ownership, overall financial return to the Housing Commission such that it will not jeopardize the financial stability of the overall real estate portfolio
- 5 Procurement Policy – Acquisition of all sites shall be conducted in accordance with Real Estate Acquisitions Policy XXXXX.

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**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

DELETED



# POLICY

EFFECTIVE DATE: TBD

NO: PO-RED-312.04

SUBJECT: SALE OF PUBLIC HOUSING OR LAND

Page 1 of 2

## 1. PURPOSE

1.1 To state San Diego Housing Commission ("Housing Commission") policy and describe guidelines to be used by the Housing Commission to evaluate the potential sale of a public housing unit(s) or project or land.

## 2. BACKGROUND

2.1 In 1987, the Federal Housing Act was amended to increase opportunities for public housing tenants to purchase their units from Public Housing Authorities. The Housing Commission requires a policy to define its position ~~in~~ regarding ~~to~~ the sale of public housing units ~~or land~~, and insure ~~so that it may~~ properly consideration of such matters.

2.2 The need for ~~increased~~ affordable housing in San Diego is immense, ~~and~~ far exceeds the ability of the City to increase affordable housing, ~~meet the need~~, and is likely to remain substantially unmet for the foreseeable future. The City derives considerable benefit from the few housing resources available to the Housing Commission which are preserved in perpetuity for needy households. Under normal conditions the sale of public housing resources would be contradicted by the goal of the Housing Commission to expand affordable housing opportunities.

## 3. DEFINITIONS

Terms utilized within this policy are either defined the first time that the term is utilized or there is a cross reference to other sources that provide those definitions.

## 4. POLICY

4.1 The policy of the Housing Commission is not to sell public housing or land unless deemed necessary.

4.2 Under certain exceptional and extenuating circumstances, where the Housing Commission deems it necessary to enhance its financial ability to increase very low and low income housing opportunities, the Housing Commission may consider the sale of public housing units ~~or land~~ if such a sale is determined to be in the best overall interest

# POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO-RED-312.04

**SUBJECT:** SALE OF PUBLIC HOUSING OR LAND

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of very low and low income households in need of affordable housing opportunities. Any such sale of public housing shall be subject to the applicable provisions of federal law concerning the disposition of public housing, however. In addition, any disposition shall comply with applicable state law, including without limitation relevant Health and Safety Code Provisions.

- 4.3 The Housing Commission may under circumstances that it deems in the best interests of the Housing Commission and mission of the Housing Commission sell undeveloped land. In such cases the Housing Commission shall comply with the provisions of Health and Safety Code Sections 34320, 34312.3 and/or 34315.7, as applicable. In addition, any sale of land shall be approved by the Board of Commissioners of the Housing Commission, with notice of such sale being given to the Housing Authority of the City of San Diego. Any Commissioner of the Housing Authority may ask that the proposed sale of land be considered by it within seven (7) days of the receipt of the Notice of Action by the Housing Commission. If no member of the Housing Authority asks to review the decision of the Housing Commission Board of Commissioners within the seven (7) day period, the action of the Housing Commission Board of Commissioners shall become final.

**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

History  
5/1/1985

Revision Date



# POLICY

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**SUBJECT:** SALE OF PUBLIC HOUSING OR LAND

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## 1. PURPOSE

- 1.1 To state San Diego Housing Commission (“Housing Commission”) policy and describe guidelines to be used by the Housing Commission to evaluate the potential sale of a public housing unit(s) or project or land.

## 2. BACKGROUND

- 2.1 In 1987, the Federal Housing Act was amended to increase opportunities for public housing tenants to purchase their units from Public Housing Authorities. The Housing Commission requires a policy to define its position regarding the sale of public housing units and insure proper consideration of such matters.
- 2.2 The need for affordable housing in San Diego is immense, far exceeds the ability of the City to increase affordable housing, and is likely to remain substantially unmet for the foreseeable future. The City derives considerable benefit from the few housing resources available to the Housing Commission which are preserved in perpetuity for needy households. Under normal conditions the sale of public housing resources would be contradicted by the goal of the Housing Commission to expand affordable housing opportunities.

## 3. DEFINITIONS

Terms used in this policy are either defined within the Policy when a term is first used, or are defined in 24 CFR 245 and 24 CFR 964.

## 4. POLICY

- 4.1 The policy of the Housing Commission is not to sell public housing or land unless deemed necessary.
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**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

History  
5/1/1985

Revision Date





SAN DIEGO  
HOUSING  
COMMISSION

## POLICY

**EFFECTIVE DATE:** 6/14/1982  
**SUBJECT:** COASTAL HOUSING PROGRAM

**NO:** PO-BEF-301.10

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The attached document, San Diego Housing Commission Policy 300.402, reflects the most current version of the policy and procedures implementing the City of San Diego's Coastal Affordable Housing Program, per Council Policy 600-3.

DELETED

CITY OF SAN DIEGO CALIFORNIA  
COUNCIL POLICY

SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
COASTAL HOUSING PROGRAM	600-3		1 OF 8

**BACKGROUND**

The California Coastal Act of 1976 included as legislative policy that "housing opportunities for persons of low and moderate income shall be protected, encouraged and where feasible provided. . . ." This language led the California Coastal Commission to adopt guidelines and regulations which required that a portion of new residential developments in the Coastal Zone be affordable by low and/or moderate-income households. The Coastal Commission also promulgated regulations dealing with the demolition and conversion of existing low moderate-income residential units which mandated the provision of affordable housing opportunities. These Coastal Commission regulations generated substantial controversy.

In 1981, the California Legislature adopted Senate Bill 626 (Chapter 1007, Statutes of 1981), which substantially altered the regulatory scheme regarding residential development in the Coastal Zone. This new statute amended the California Coastal Act to limit the jurisdiction of the Coastal Commission to matters of physical development. In place of the housing regulations of the Coastal Commission the statute created new responsibilities for local agencies. This policy is adopted to provide stability in the coastal development process and clearly delineate the procedures to be used in the City of San Diego in implementing these new housing responsibilities and at the same time provide the broadest range of options for developers.

**PURPOSE**

To establish procedures to be used to implement the requirements of Article 10.7, "Low- and Moderate-Income Housing within the Coastal Zone," of Chapter 3 of Division 7 of Title 7 of of the Government Code.

**POLICY**

It shall be the policy of the City Council that within the Coastal Zone, as established by the California Coastal Act of 1976, as amended, the conversion or demolition of existing dwelling units occupied by persons and families of low or moderate-income (as defined in California Government Code Section 65590[b]) shall not be authorized unless and until provision has been made for replacement of those dwelling units with units affordable by persons and families of low or moderate-income. New housing development projects located within the Coastal Zone shall, where feasible, provide dwelling units affordable by persons and families of low or moderate-income.

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**COASTAL HOUSING PROGRAM**POLICY  
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Replacement and/or development of new dwelling units affordable by persons or families of low- or moderate-income may, at the project applicant's option, be provided for through the provision of new housing opportunities or through contribution of the Low- Moderate-Income Coastal Housing Fund,

**IMPLEMENTATION PROCEDURES****A. This policy shall not apply to the following projects:**

1. Projects not located within the Coastal Zone;
2. The conversion or demolition of a residential structure which contains less than three dwelling units, or where more than one residential structure is involved, the conversion or demolition of ten or fewer dwelling units.
3. The conversion or demolition of a residential structure for purposes of a non-residential use which is "coastal dependent" or "coastal related," as defined in the California Coastal Act of 1976, as amended, which non-residential use is consistent with the applicable community land use plan.
4. The demolition of a residential structure which has been declared a public nuisance.

**B. Standards for determining residents qualification as low- and moderate-income, and low- and moderate-income affordability shall be those of the City of San Diego Progress Guide and General Plan Housing Element.****C. In order to provide the maximum opportunity to developers of housing projects within the Coastal Zone, the following incentives shall be provided:**

1. The provisions of the Affordable Housing Density Bonus Ordinance shall be made available to projects involving conversions and demolitions in the same manner as those provisions apply to new developments. Where existing housing units remain on the project site, those units shall be subtracted from the total number of units permitted under the terms of the Affordable Housing Density Bonus Ordinance to determine the number of units which may be transferred to another project.
2. A right to develop housing units which is transferable from one site to another under the terms of the Affordable Housing Density Bonus Ordinance may be transferred from one person to another, subject to the restrictions

**COUNCIL POLICY SD Housing Commission Policy 300.402**  
**Effective: 6/14/82**

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**imposed by that ordinance and this policy regarding the affordability of those units when constructed. Transfer of development rights may be accomplished by either agreement of the parties and the Housing Commission pursuant to the provisions of the Affordable Housing Density Bonus Ordinance or agreement of the Housing Commission and a coastal developer pursuant to this policy.**

- 3. Priority processing of all permit applications and inspections required for development of any project providing affordable housing developed pursuant to this policy.**
  - 4. Direct and indirect public subsidy of affordable housing units, subject to availability of funding.**
  - 5. The regulations controlling utilization of development incentive programs such as density bonuses or financial subsidies shall prevail if in conflict with the provisions of this policy where those regulations are more restrictive.**
- D. In the case of conversion or demolition of residential structures located within the Coastal Zone, the procedures listed below shall be followed:**
- 1. Application shall be made to the Planning Department in the case of conversion from rental to condominium cooperative or similar form of ownership; or application shall be made to the Building Inspection Department in the case of conversion from residential to nonresidential use or demolition.**
  - 2. The city agency receiving the application shall determine whether the proposed project is exempt from this policy pursuant to Section A, above.**
  - 3. If the project is not exempt from the requirements of this policy, the city agency receiving the application shall inform the applicant of the requirements of this policy and refer the application to the Housing Commission for determination of how this policy applies to the project,**
  - 4. The Housing Commission shall determine within 45 days after receipt of the application whether the dwelling units to be converted or demolished are occupied by persons or families of low- or moderate-income. This determination may be based upon a survey of current residents. Information on tenant income shall be provided under penalty of perjury and shall report income from all sources, including a reasonable return upon tenant assets. A dwelling unit need not be replaced if (i) it is not occupied by persons or families of low- or**

CITY OF SAN DIEGO, CALIFORNIA

**COUNCIL POLICY**

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moderate-income or (ii) resident income survey relating thereto is not received from the resident within 30 days after the survey mailing date.

5. The Housing Commission shall determine the feasibility of including the replacement dwelling units affordable by persons or families of low- or moderate-income within the Coastal Zone.
6. Where converted or demolished dwelling units are required to be replaced, the replacement units shall meet the following standards:
  - a. Replacement units shall provide affordable housing opportunities not previously available, through (i) new construction, (ii) conversion of nonresidential structures to residential use, (iii) substantial rehabilitation of dilapidated dwelling units, (iv) existing units not currently affordable by low- or moderate-income households, or (v) any combination of the above.
  - b. Replacement units shall provide housing opportunities similar to those provided by the dwelling units converted or demolished. The number of replacement units shall be equal to the number of dwelling units proposed for conversion or demolition which are occupied by persons or families of low- or moderate-income. Replacement units need not be identical to those converted or demolished but shall have the same general characteristics and shall be acceptable by the Executive Director of the Housing Commission.
  - c. Replacement units shall be provided and available for occupancy within three years from the date upon which work commenced on the conversion or demolition. "Work commenced," with respect to a converted unit, shall be the offering of said unit for sale to the public. "Work commenced," with respect to a demolished unit shall be substantial completion of physical demolition.
  - d. Replacement units shall be located on the site of the converted or demolished structure or elsewhere within the Coastal Zone if feasible, or, if location on the site or elsewhere within the Coastal Zone is not feasible, they shall be located within three miles of the Coastal Zone, except that they shall not be located outside the Coastal Zone within any census tract impacted by an over-concentration of persons and families of low-income.

CITY OF SAN DIEGO, CALIFORNIA

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7. The Housing Commission shall, based upon the number and characteristics of the dwelling units occupied by low- moderate-income persons or families, inform the applicant of:
  - a. The total number of replacement dwelling units which must be provided.
  - b. The characteristics which the replacement units must provide, as determined pursuant to Paragraph 6, above.
  - c. The alternative option of contributing to the Low- and Moderate-Income Coastal Housing Fund in lieu of providing the required replacement units, and the amount of that in lieu contribution, as provided by Section G, below.

E. In the case of new housing developments proposed within the Coastal Zone, the procedures listed below shall be followed:

1. Application for discretionary development permits shall be filed with the appropriate city agency. Where only ministerial permits issued by the Building Inspection Department are required, application shall be filed with that agency.
2. The city agency receiving the application shall determine whether the proposed project is exempt from this policy pursuant to Section A, above. When applications are filed with more than one agency simultaneously, the determination shall be made by the agency with jurisdiction over the first permit to be issued.
3. If the project is not exempt from the requirements of this policy the city agency receiving the application shall inform the applicant of the requirements of this policy and refer the application to the Housing Commission for determination of how this policy applies to the project.
4. The Housing Commission shall determine the feasibility of including dwelling units affordable by persons or families of low- or moderate-income within the project on the project site.

If it is not feasible to provide low- moderate-income affordable housing on the project site, the Housing Commission shall determine whether it is feasible to provide such housing at another location within the Coastal Zone, or within three miles of the Coastal Zone boundary; provided, however, that such location shall be within the same community planning area in which the project site is located.

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**COASTAL HOUSING PROGRAM**

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**5. Where it is determined that provision of housing units affordable by low- or moderate-income is feasible, the Housing Commission shall inform the applicant of:**

- a. The total number of affordable units which shall be provided. In no case shall the number of affordable units required constitute more than 20 percent of total project.**
- b. The characteristics which the affordable units shall provide, including, but not limited to, number of bedrooms, tenure type, income range.**
- c. The alternative option of contributing to the Low- Moderate-Income Coastal Housing Fund in lieu of providing the required affordable units, and the amount of that in lieu fee, as provided by Section G, below.**

**6. In evaluating the feasibility of providing affordable units as part of a new housing development, the Housing Commission shall consider the economic, social, technical and environmental effects of providing affordable units.**

**F. Where a proposed development is required to provide housing units affordable by persons and families of low- or moderate-income and the developer chooses to provide those units, the developer shall enter into an agreement with the Executive Director of the Housing Commission. The agreement shall include the following provisions:**

- 1. A description of the coastal development project, including its location, the number of units to be developed, etc.**
- 2. A description of the affordable housing units to be provided, including their size and location.**
- 3. A description of the method to be used to insure the affordability of the housing units by low- or moderate-income households for the period set forth below, including the rent or estimated monthly housing cost, and in the case of sale units, the techniques to be used to limit future resales. Said period shall be five years (or longer, at the option of the developer).**

**The agreement shall be recorded and, as to the provisions regarding the development of affordable housing units, shall be an encumbrance upon the developer's project until such provisions are satisfied.**

CITY OF SAN DIEGO, CALIFORNIA

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**G. Developers of housing developments within the Coastal Zone for which affordable units must be provided may, in lieu of providing those units, as the Housing Commission elects, either (i) contribute to the Low-Moderate-Income Coastal Housing Fund or (ii) purchase credits from the Housing Commission's Bank of Low- or Moderate-Income Coastal Units. The amount of the contribution shall be determined by the Executive Director of the Housing Commission in accordance with guidelines established by the Housing Commission. The amount may consist of cash or real property acceptable to the Executive Director of the Housing Commission.**

**A developer who chooses to pay said amount in lieu of providing affordable housing units shall enter into an agreement with the Executive Director of the Housing Commission. The agreement shall include the following provisions:**

- 1. A description of the contribution and the manner in which that contribution shall be conveyed.**
- 2. That the Housing Commission shall develop, and make available as soon as feasible, the number and type of affordable housing units which the developer would otherwise have been required to provide.**
- 3. That the developer transfers to the Housing Commission the Affordable Housing Density Bonus units available pursuant to Section 101.0307 of the Municipal Code and not utilized by the developer. Such units may be used by the Housing Commission in meeting their responsibilities under this policy.**

**The agreement shall be recorded and, as to the provisions regarding the contribution shall be an encumbrance upon the developer's project until such provisions are satisfied.**

**In the case of conversion where the developer chooses to make contribution of cash, the contribution shall be due upon commencement of sales of housing units converted to residential ownership status or upon approval of the final permits for change of use to non-residential use. In the case of demolition where the developer chooses to make contribution of cash, the contribution shall be due upon completion of the demolition.**

**In the case of new "for sale" housing developments where the developer chooses to make a contribution of cash, the contribution shall be payable upon close of escrow for each housing unit in the developer's project. In**



CITY OF SAN DIEGO CALIFORNIA **SD Housing Commission Policy 300.402**  
**COUNCIL POLICY Effective: 6/14/82**

SUBJECT

**COASTAL HOUSING PROGRAM**

POLICY  
NUMBER

**600-3**

EFFECTIVE  
DATE

PAGE

**8 OF 8**

the case of new rental housing developments where the developer chooses to make a contribution of cash, the contribution shall be payable prior to occupancy by any tenant. Any contribution not consisting of cash must be conveyed in full and vest in the Housing Commission no later than 12 months after the date upon which work commences on the developer's project.

- H. The Housing Commission shall determine the reasonable fees to be paid by developers for the cost incurred by the Housing Commission in connection with applications filed hereunder.
- I. Determinations of the Housing Commission pursuant to this policy shall be final on the seventh day following action by the Housing Commission unless a request to be heard on appeal is filed in the office of the City Clerk.

When a request to be heard on appeal is filed with the City Clerk, it shall be placed on the Council docket for the limited purpose of determining whether the City Council will hear the appeal. The City Council will accept an appeal for hearing when any of the following situations are found to exist:

1. The appellant was denied the opportunity to make a full and complete presentation to the Housing Commission.
2. New evidence is now available that was not available at the time of the Housing Commission hearing.
3. The Housing Commission determination was arbitrary because no evidence was presented to the Housing Commission that supports the determination.
4. The Housing Commission determination, was in conflict with adopted Council Policy or the Municipal Code.

The City Council shall rely upon the record of the proceedings before the Housing Commission and the written appeal. No oral presentations shall be made to the City Council by proponents or opponents of the determination. A vote on a motion to set the appeal for hearing shall not constitute a vote in favor of hearing the appeal, the City Clerk shall set the appeal for hearing before the City Council and give notice of the appeal in the manner required by the Municipal Code.

- J. If any provision or part of this policy or the application thereof to any person, property or circumstances is held to be unconstitutional or otherwise invalid by any court of competent jurisdiction, such invalidity shall not affect other provisions or parts or applications of this policy which can be given effect without the invalid provision, part or application and, to this end, the provisions and parts of this ordinance are declared to be severable.

(Old Policy 600-3 BILLBOARDS ON CITY-OWED LANDS, adopted by Resolution No; 169961, 3/15/62; repealed by Resolution No. 212290, 12/26/74).



SAN DIEGO  
HOUSING  
COMMISSION

## POLICY

**EFFECTIVE DATE:** 10/1983

**NO:** PO-RED-312.03

**SUBJECT:** Management Plan - State of California Rental Housing Construction Program (RCHP)

Page 1 of 1

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The attached document is San Diego Housing Commission Policy PO500.101.

DELETE - SEE ATTACHED

MANAGEMENT PLAN  
STATE OF CALIFORNIA  
RENTAL HOUSING CONSTRUCTION PROGRAM (RCHP)

SAN DIEGO HOUSING COMMISSION  
PROJECT: ADAPTABLE HOUSING

OCTOBER 1983

(Revised)

⋮

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## INTRODUCTION

This plan outlines the operating procedures to be followed in the outreach and ongoing management of the rental units produced under the State's Rental Housing Construction Program (RHCP).

The general content of this plan is based upon the requirements of Sections 7850 through 7870 of the Rental Housing Construction Program Regulations. In addition, the Housing Commission's existing procedures for the operation of the Section 8 Existing, Section 23 leased housing, and HUD conventional housing programs have been incorporated into this plan to facilitate the implementation of the State program without the establishment of completely new processing procedures.

In general, the Housing Commission is responsible for the activities listed below:

1. Leasing and tenant selection;
2. Determining eligibility, income certification, and recertification;
3. Maintaining accurate records of the day-to-day operations of the property, including collecting and accounting for rental revenues;
4. Maintaining the property and reporting any deficiencies to State HCD;
5. Providing assistance in the field of resident counseling and social services;
6. Budget preparation and analysis;
7. Site inspection and reports; analysis of development operations;
8. Filing all reports required by the California Department of Housing and Community Development;
9. Maintaining security operations;
10. Coordinating legal efforts to collect rents and handling evictions of residents for non-payment of rent as well as lease violations.

## II. BACKGROUND - IDENTIFICATION OF NEED

The City of San Diego Housing Commission is committed to providing decent, safe and sanitary housing for low-income families, elderly, handicapped residents of the City. In furtherance of that goal, the Commission is dedicated to the implementation of Council Policy 600-19, "Fostering of Balanced Community Development for the City of San Diego" which was adopted on December 26, 1972 and the Housing Element of the General Plan for the City of San Diego entitled "A Decent Home for Every San Diegan", adopted in August, 1971.

The Housing Assistance Plan which is a part of the City's Block Grant application further identifies the condition of the present housing stock, the need for additional units and unit types (existing, rehabilitated and new construction) and the proposed locations for such units. That plan identifies City-owned sites which were recommended by the Public Services and Safety Committee of the City Council to be made available on a lease basis to developers and sponsors for the construction of housing for low-income, elderly and handicapped residents.

Additionally, the City of San Diego is committed to a regional approach to meeting housing needs and cooperates with San Diego County. Associated Governments (SANDAG), and with other cities in the region towards a region-wide application of Federal Housing funds. To this end, the City adopted by Resolution dated October, 1974, the Regional Housing Plan for the San Diego County, prepared by SANDAG.

To assist in serving the needs of at least a portion of those households identified as requiring housing assistance, the San Diego Housing Commission has produced lower income rental units under the Rental Housing Construction Program administered by the State Department of Housing and Community Development. The remainder of this plan outlines the general procedures which will be implemented for the projects completed under this program.

## III. APPLICANT OUTREACH, TENANT SELECTION AND OCCUPANCY

For the units completed under the Rental Housing Construction Program, the following procedures apply with respect to affirmative marketing, tenant selection, and occupancy.

### A. Affirmative Marketing Plan/Applicant Outreach

1. Special outreach efforts will be made to encourage handicapped, elderly, Oriental, Black, Indian, and Spanish language families to apply for the units available.

Space emphasis will be placed on advertising in minority and handicapped media to attract special interest outreach groups.

A brochure printed in English or Spanish will be given to any person seeking information about the Program. Those who wish to participate in the program will be instructed to file a preapplication. For those persons who are non-English or non-Spanish speaking, staff will work with the various ethnic organizations and churches to insure that they have equal opportunity to apply for housing assistance under the program.

2. The Housing Assistant assists in completing the preapplication forms, which will be available in English and Spanish versions. This form solicits information about family composition, income, ethnic background and priority status.
3. The Housing Assistant reviews preapplications to make a preliminary determination of eligibility based on the applicant's stated income and family size. All families who have completed the pre-applications will be notified in writing of their eligibility status in a timely manner.

Those applicants who are deemed ineligible for the program will be notified in writing why they

Personal appearances by staff will be scheduled with senior citizens, handicapped and other groups which may be eligible for housing assistance.

2. The Housing Commission's Housing Counselor will coordinate outreach efforts to reach households least likely to apply. Brochures will be distributed to and via known social services agencies, fraternal organizations and other community based agencies. Such agencies will include but not be limited to the following: San Diego County Department of Public Welfare, Social Security Administration Offices, State Department of Employment Offices, City Senior Citizens Offices, etc.
3. After project approval by both the Commission and HCD, public notices will be given in major and local newspapers. Advertisements will appear in neighborhood papers with appropriate language adjustments.

The Commission will ensure that newspapers and other media utilized in publicizing the Program will reach all segments of the populations pursuant to the Commission's Equal Opportunity Housing Plan (included as Exhibit 1). Liaisons will be combined with appropriate County and City agencies, social service agencies and numerous community and special interest groups.

4. Outreach activities including advertising, press releases and staff will be closely monitored



III. B. TENANT PREFERENCE CRITERIA

1. Except as noted in Section B, 2, priority in the selection of tenants for available units shall be granted in the following order:
  - a. Households who are actually without housing resulting from governmental actions or natural disasters.
  - b. Households with dependent children (for multi-bedroom units).
  - c. Other eligible households
2. For the adaptable units, top priority will be given to households where the single person or the head of the household is confined to a wheelchair.
3. For the adaptable units, second priority will be given to eligible households with a member confined to a wheelchair. Within this group, families will be given preference according to the priorities outlined in III, B, 1.

In the event of two or more eligible applicants requiring the same unit size with identical priority and preference status, the date and time sequence of the applications shall govern selection with the applicant who filed the earliest being assigned the available unit.

C. PROCESSING PREAPPLICATIONS

The procedures outlined in this section will be followed in processing applications for the program.

1. In order to insure an orderly intake process, prospective applicants will be encouraged to make initial contacts with the Housing Commission by telephone. However, initial contacts in person will not be discouraged.

**D. SCREENING AND SELECTION**

1. The application interview will be held when a suitable dwelling is expected to be available. Prior to the interview, the Housing Assistant will request income verification and screening information from the prospective tenant. The Housing Assistant will review income verification and other documentation in making a final determination of eligibility.
2. In order to preclude the admission of applicants whose conduct would have a detrimental effect on the project environment or the tenants, the Housing Assistant will gather documentation including references from current and previous landlords, employers, social workers, parole officers and physicians. Documentation may include a home visit. The information may include the following:
  - a. Time, nature and extent of the applicant's habits and practices with regard to:
    - Past performance in meeting financial obligations, especially rent;
    - Disturbance of neighbors;
    - Destruction of property;
    - Housekeeping habits;
    - History of criminal activity involving crimes of physical violence to persons or property; and
    - Other acts which would adversely affect the health, safety or welfare of other residents.
  - b. Factors which indicate a probability of favorable future conduct or financial prospects, such as:
    - Evidence of rehabilitation;
    - Evidence of willingness to participate in appropriate counseling service program, and availability thereof; and
    - Evidence of willingness to attempt to increase income and availability of training or employment programs in the locality.

The Housing Manager or designee will, on a regular basis, review applications for accuracy and completeness.

3. Income will be verified prior to a final determination of eligibility. The verification form provided will request the applicant's present income and anticipated income over the next twelve month period. The Commission will request that verification forms be signed by a representative from the verifying agency (i.e. Social Security, Veterans Administration, Employment, etc.). Forms which are not received directly from the agency will be confirmed with a telephone call to the verifying agent.

Any witnessed photocopies of any document (i.e. checks, savings, passbooks, etc.) which indicate income, will be accepted pending the return of formal income verification.

4. Based on the evaluation by the Housing Assistant, ineligible applicants will be notified in writing of their ineligibility. This notice will inform the applicant that he/she may request within seven (7) days of the date of their Notice of Eligibility a hearing to review qualifications. These notices should be received by the family within one week after the date of the application interview, provided all necessary income verification and other pertinent information is documented.

Applicants determined to be eligible for the Program will be notified in writing. This notice will also contain an estimate of potential occupancy date based upon turnover history.

#### E. OCCUPANCY

The following procedures apply to occupancy of the units constructed under the Program:

1. Public Housing applicants will be screened to identify eligible handicapped families. After the tenants preference criteria listed in III (B) are applied, the date and time of application shall govern in what order applicants are selected.

2. The Housing Manager will closely monitor all units occupied to ensure that at least two-thirds (2/3) of the units are rented by very-low income households. Should occupancy characteristics differ significantly from the required levels, the occupancy criteria will be modified to correct the situation.
3. Recertification of tenant eligibility will occur on a yearly basis. Tenants will be scheduled for recertification appointments no less than 30 days prior to their anniversary date. (A sample of the notice used for the Conventional Housing Program is included in attachment II).

#### IV. MANAGEMENT

The major on-going management tasks will be performed as follows:

1. Application Taking: The Housing Management Staff will accept, screen, verify and certify applicants. This may extend to the clerical staff for screening of applicants.
2. Outreach: The Housing Manager and Housing Counselor will be responsible for outreach activities.
3. Verification and Determination of Gross Family Income: The Housing Manager will be primarily responsible for supervising staff in this function.

The following key staff members will perform the duties listed below:

Executive Director: will plan, coordinate and direct the Housing Commission's efforts under the Rental Housing Construction Program; coordinate with State (HCD) and local agencies in order to provide housing resources for low and moderate income persons. Represent the Housing Commission before the City Council, various inter-governmental agencies, boards and other committees concerned with providing housing development for low and moderate income residents of the community.

Department Director: is supportive of the Executive Director and is responsible for monitoring the activities of professional and technical personnel to insure that housing management and other functions are being carried out in accordance with HCD and Commission guidelines. Will direct day-to-day management activities of designated staff in the implementation, administration, and operation of the Program.

Housing Manager: supervises the work of the Area Housing Manager, Housing Assistant, and clerical staff on a day-to-day basis to assure a smooth intake, and on-going recertification occupancy operation.

Housing Assistant: performs the daily work of taking applications, doing income certification, conducting recertifications and a variety of other occupancy related tasks.

Administrative Aide and Clerical Staff: perform clerical and administrative duties associated with the program.

Housing Counselor: coordinates special outreach efforts to encourage handicapped, elderly, Oriental, Black, Indian and Spanish language families to apply for the programs. Additionally, provides linkage with social service agencies, churches, community agencies and other governmental agencies to insure that all needs of eligible families are met. Responsible for all counseling pertinent to Section 8, Section 23, HUD Conventional Housing, and the Rental Housing Construction Program. Conduct briefing sessions in conjunction with the Housing Management Staff.

Hearing Officer: The Hearing Officer of hearing panel shall hear the complaint of an applicant or tenant following an informal hearing with the Housing Manager which fails to resolve the complaint.

Controller: is responsible for monitoring and coordinating all financial activities between all concerned offices. Insures that the financial management and other functions are being carried out in accordance with HCD and Commission guidelines. Insures prompt and concise preparation of all financial and statistical reports required by HCD and the City Auditor's office.

In addition to the duties described above, the financial section will administer the rent collection activities for the units.

Area Manager : the Area Manager is responsible for tenant selection and placement; coordinating and supervising the work of Administrative Staff; tenant counseling and referrals; resident grievances; preparation and interpretation of lease documents. Supervise and may perform: application taking; verification and determination of eligibility; reexamination and rent adjustments; unit inspections, consultation with tenants and tenant meetings, rent collections; evictions; determination of repair charges; preparation and interpretation of lease documents. (See Section V.)

## PROJECT MAINTENANCE (See Exhibit 5)

Housing Commission staff will be responsible for maintenance of the completed units. Regular maintenance schedules will be followed for appropriate items such as grounds, solar systems, unit exterior and interior preventive maintenance work and similar types of scheduled activities. The Area Manager will maintain these schedules and supervise the Maintenance Staff in the performance of the work. Detailed maintenance records will be kept for each project location indicating the maintenance work performed, material used, warranty period, condition of equipment and documentation of any unusual circumstances such as repairs required as a result of tenant caused damage.

As units are vacated the Area Manager or his/her designee, will perform an inspection to determine what interior maintenance should be completed (e.g. painting, floor repair, etc.). This inspection shall also serve the purpose of identifying any damage costs which should be assessed to the tenant vacating the unit. Following the inspection, the required work will be completed by the Maintenance Staff before the unit is occupied by the new tenant.

Major maintenance and repair work which is required for the units will in most cases be completed by qualified contractors under the supervision of the Area Manager. When a maintenance or repair problem is determined to be of a nature which requires the skills of an outside contractor, the Area Manager will select a qualified contractor to complete the work in a timely manner. The types of items which are considered to be major maintenance and repairs include, but are not limited to, major plumbing and electrical work, solar hot water system repair, and appliance repair

Area Manager: is responsible for assuring that all necessary maintenance and repairs are made in a timely, cost efficient manner. Most of the actual maintenance work will be performed by Commission Maintenance Staff under the supervision of the Area Manager. The Area Manager will periodically inspect buildings, apartments and grounds to determine necessary preventative maintenance needed. He/She will also maintain files containing written records of maintenance services, equipment, inventory, and operating manuals consisting of pertinent data relating to equipment and building fixtures. The Area Manager will also maintain a list of approved maintenance service contractors who can perform services as required for the completed projects.

## VI. LEASE PROVISIONS

The lease agreement is included as Exhibit 3

## VII. TENANT RELATIONS

The Housing Commission currently employs two Housing Counselors whose services will be available to tenants occupying completed RHCP units. The Counselors will provide tenants with information relative to their rights and obligations as tenants, conduct on-site problem solving meetings with tenants, and counsel tenants with respect to their other social service needs. The Housing Counselors also prepare and distribute a quarterly newsletter which provides information of interest to tenants (see copy included as Exhibit 4).

To insure tenant access to the Housing Commission decision making process, two Tenant Commissioners serve on the seven-member Commission. Through these Commissioners, all tenants have input into decisions which directly affect them including unit management policies, grievance proceedings, future housing developments, and all other aspects of the Housing Commission's functions.

## VIII. APPEAL AND GRIEVANCE PROCEDURES

All tenant appeals and grievances relating to the completed RHCP units will be processed consistent with the Housing Commission's procedures. These procedures are consistent with the requirements for HUD sponsored projects as stated in 24CFR Part 866 Subpart B and include the following provisions:

- 1) Written requests for hearings;
- 2) Informal hearings to attempt to resolve the problems;
- 3) Formal hearings to resolve major grievances; and
- 4) Specified time frames for the grievance process.

Copies of the grievance procedures and forms currently being utilized are included as Exhibit 4.

**IX. REPORTING PROCEDURES**

The Housing Commission Controller will maintain a computer based reporting system which will store data relating to the RHCP projects, and produce the required monthly report to HCD. As required by the Program Regulations, this report will include:

- 1) A description of the fiscal condition of the Project;
- 2) Tenant occupancy statistics indicating household sizes, incomes, and ethnicity; and
- 3) An accounting of any major maintenance and repair work performed on the project during the reporting period.

Other pertinent data will also be included in the system. Specifically data relating to rent collections will be stored to insure that the project remains fiscally sound and that rent collections are kept up to date.



EXHIBITS

EXHIBIT 1

EQUAL OPPORTUNITY HOUSING PLAN

EQUAL OPPORTUNITY HOUSING PLAN

HOUSING COMMISSION OF THE CITY OF SAN DIEGO  
121 Broadway, Suite 443, Spreckels Building  
San Diego, California 92101

A. COMMUNITY-WIDE INFORMATION EFFORTS

1. Public notices will be given in major and local newspapers for both applicants and owners. All advertisements will have appropriate language adjustments.

Newspapers utilized in publicizing the Program will reach all segments of the population. Potential applicants will be notified, through publication in a variety of newspapers listed below of the availability of housing assistance for low-income families and invited to apply.

<u>NAME</u>	<u>CIRCULATION</u>	<u>FREQUENCY</u>
San Diego Union	Major-entire population	3-day period: Sat., Sun., Mon. Intermittently based on response
San Diego Evening Tribune	Major-entire population	3-day period: Sat., Sun., Mon. Intermittently based on response
Voice News and Viewpoint	Minority-Black Majority	Weekly, based on response
La Jolla Light and Journal	Majority	Weekly, based on response
Sentinel	Area Population Majority and Minority Circulation	Bi-weekly, based on response
La Prensa	Minority	Weekly, based on response

2. The Commission will issue at least three press releases to Major and minority newspapers (see #1 above).
  - a. Within one month prior to the completion of the units the program will be announced to the general public advising of the forthcoming availability of housing for eligible low-income families and where they may apply.

- b. A second press release will announce that the units are available and applications are being accepted. Low-income families will be encouraged to participate. Appropriate details of the program will be given.
- c. A third press release will be issued at the time it is determined that there is no reasonable prospect that additional units will be available within the next year. It will be announced in major and minority newspapers that the taking of applications is suspended until further notice.

Releases will be made to all newspapers listed above, in addition to the following publications:

List of Publications

Council of Filipino-American Communities  
 Chicano Federation Newsletter  
 San Diego Building Contractors Association Builder  
 San Diego Magazine  
 Black Review  
 Apartment and Owners Rental Association Magazine  
 La Amano  
 Senior World  
 The Veterans News  
 Union of Pan-Asian Communities  
 CSCD Voice (Community Services Council for the Disabled)

- 3. Liaison will be established with appropriate county and city, agencies, private social service agencies, and numerous community and special interest groups. To be included are:

Union of Pan Asian Communities  
 Neighborhood House Associates  
 San Diego Senior Citizens Center  
 San Diego Urban League  
 Chicano Federation  
 League of Women Voters  
 American Indian Association  
 Handicapped  
 Council of Filipino-American Communities

Through its ties with other public agencies as well as through tenant organizations, realtor groups, citizen planning groups, the Commission will transmit information on low-income housing programs to all concerned citizens and community organizations. Special assistance will be given to eligible elderly, handicapped, and disabled persons to help them locate suitable housing.

Spot public service announcements on local radio stations will also be required.

## B. SPECIAL EFFORTS TO ATTRACT FAMILIES

1. Special outreach efforts will be made to encourage handicapped elderly, Oriental, Black, Indian and Hispanic families to apply for certificates of participation.
2.
  - a. Special emphasis will be placed on advertising in minority and handicapped media to attract special interest outreach groups. These ads will be published in special interest group publications.
  - b. The press releases discussed in A-2 above will be used to attract the special outreach groups in the appropriate minority newspapers.
  - c. Every effort will be made to contact community groups and realtor associations that serve the special outreach groups. Letters will be written and personal contact by Commission representatives will be made to explain the program. The applicable community groups named in A-3 above will be advised of the special effort being made to attract the outreach groups since they are the ones normally not likely to apply for the assistance without special outreach. Community groups and agencies will be provided with brochures for distribution to potential applicants.
  - d. It is the intent of the Commission to administer a housing program that services all minority and majority groups in the population on a non-discriminatory basis. All equal opportunity and fair housing obligations will be fulfilled.

## C. STATEMENT OF POLICIES AND PROCEDURES

- (i) All families will be determined eligible through the use of the HCD eligibility requirements, and those criteria will be applied without regard to the race, creed, color, religion, sex or national origin of all families applying for Certificates. In addition, all aspects of the program will be carried out in a non-discriminatory manner through compliance in this program with Title VI of the Civil Rights Act of 1958, Executive Order 11063 and all rules, regulations and requirements issued pursuant thereto.

Units will be occupied by tenants as they are determined to be eligible. Following initial occupancy, our time, date and sequential numbering system will allow us to process applications on a first come, first served basis for each bedroom size. We will closely monitor the percentage of Very-Low Income Families to insure that at least two thirds (2/3) of the total number of units are occupied by very low-income tenants.

- (iii) Families will be placed on the waiting list as they are certified as eligible families, and if a unit is currently not available. The families will be placed on the list on the basis of the time/date stamped/sequentially numbered application. However, displaced families will be put on top of the waiting list. We will suspend taking applications for the program when the number of families on the waiting list for a particularly sized unit is that number which can reasonably be expected to occupy units within the next twelve months except that we will assure that there are sufficient Very Low-Income Families on the list to assure that we can meet our responsibility to them.

The suspension of applications shall be announced in the same manner as the program was advertised to families (Section A).

EXHIBIT 2

INCOME VERIFICATION FORMS





SAN DIEGO

# HOUSING COMMISSION

Date: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Dear Resident:

At your special Reexamination/Interim Adjustment it was not possible to make an accurate estimate of your family income for the next twelve-month period.

You are scheduled for a follow up appointment on \_\_\_\_\_

If you are unable to attend at the time and day indicated, please call me at 236-5440 no later than \_\_\_\_\_ to reschedule the appointment.

You should have the enclosed verification forms completed to bring with you when you come to your appointment. If the enclosed forms are not appropriate for verifying your present income, please call for the correct forms.

Sincerely,

Housing Assistant

ME:cc

FECHA \_\_\_\_\_

UNIT # \_\_\_\_\_

A: \_\_\_\_\_

Estimado Inquilino:

Leyes y regulaciones requieren un repase anual de los ingresos de residentes que ocupan viviendas bajo el programa de el Estado o viviendas públicas.

Como ha ocupado una vivienda este año, o porque una entrevista antes cambio su renta provisionalmente, es necesario que venga a esta oficina para completar las formas requeridas para permanecer bajo este programa.

Se ha fijado una cita a la(s) \_\_\_\_\_ A.M./P.M. el \_\_\_\_\_  
199 . Si este horario no le es conveniente  
favor de llamar al 236-5440 para fijar otra fecha.

Traiga con usted PRUEBAS de la cantidad de sus INGRESOS. Su oficina de Asistencia Pública o Seguro Social le daran estos informes. En caso que éste empleado, sus talones de cheques sera suficiente. Si tiene cuenta de ahorros, traiga su libro del banco.

Sinceramente,

BY: \_\_\_\_\_

Judith Fry  
Housing Manager

# SAN DIEGO HOUSING COMMISSION

SPENCER BUILDING . 121 BROADWAY, SUITE 443 . SAN DIEGO, CALIF. 92101 . 236-5440  
236-7155

The San Diego Housing Commission is attempting to provide Housing Assistance to the below named person. In order to determine eligibility, we must verify his/her income.

We ask your cooperation in supplying information regarding the income of the person listed below. The Applicant has authorized you to release this information by signature below. This information will be held in confidence for use only in determining eligibility for Housing Assistance.

Sincerely,

Date: \_\_\_\_\_

\_\_\_\_\_  
Housing Commission Staff

\_\_\_\_\_  
I hereby authorize the release of the information relative to my income to the City of San Diego Housing Commission.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
If you are the Main Branch office, please indicate any amounts your other local branch banks may have on deposit.

Name of Bank \_\_\_\_\_ Branch \_\_\_\_\_

Savings Account No. \_\_\_\_\_

Amount on Deposit \$ \_\_\_\_\_

Interest Rate % \_\_\_\_\_ Interest Earned (last 12 months) \$ \_\_\_\_\_

Information furnished by: \_\_\_\_\_  
Signature of Bank Verifier

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date



# SAN DIEGO HOUSING COMMISSION

BEN MONTUO • EXECUTIVE DIRECTOR

The SAN DIEGO HOUSING COMMISSION is attempting to provide housing assistance to the below-named person. In order to determine eligibility, we must verify his/her income.

We ask your cooperation in supplying information regarding the income of the person listed below. The Applicant has authorized you to release this information by signature below. This information will be held in confidence for use only in determining eligibility for Housing Assistance. Thank you.

Date: \_\_\_\_\_

\_\_\_\_\_  
Housing Commission Staff

I hereby authorize the release of the information relative to my income to the San Diego Housing Commission.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Applicant

Birthdate: \_\_\_\_\_

\_\_\_\_\_  
Social Security #: \_\_\_\_\_

OFFICIAL FROM WELFARE OFFICE MUST COMPLETE THE FOLLOWING INFORMATION

Claimant's Name: \_\_\_\_\_ Social Security #: \_\_\_\_\_

Date Claim Started: \_\_\_\_\_ Welfare #: \_\_\_\_\_

GR \$ \_\_\_\_\_ Per Month AFDC \$ \_\_\_\_\_ Per Month

Family Composition & Social Security Numbers:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The amount of each grant for the last 6 months: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Are there any other members (UAM?) in the household who are not receiving aid, but do receive other income? If so, amount per month: \$ \_\_\_\_\_  
Source: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Caseworker Signature

\_\_\_\_\_  
Telephone #

FOR OFFICE USE ONLY

Information Verified By: \_\_\_\_\_ Date: \_\_\_\_\_

Remarks: \_\_\_\_\_  
\_\_\_\_\_

Income Verification - Welfare  
Revised 3/82



# SAN DIEGO HOUSING COMMISSION

BEN MONTUJO • EXECUTIVE DIRECTOR

The SAN DIEGO HOUSING COMMISSION is attempting to provide housing assistance to the below-named person. In order to determine eligibility, we must verify his/her income.

We ask your cooperation in supplying information regarding the income of the person listed below. The Applicant has authorized you to release this information by signature below. This information will be held in confidence for use only in determining eligibility for housing assistance.

Date: \_\_\_\_\_  
Housing Commission Staff

I hereby authorize the release of the information relative to my income to the San Diego Housing Commission.

Date: \_\_\_\_\_  
Signature of Applicant

EMPLOYER PLEASE COMPLETE THE FOLLOWING

Employee Name: \_\_\_\_\_ Occupation: \_\_\_\_\_

Employee Number: \_\_\_\_\_ Social Security Number: \_\_\_\_\_ Date of Employment: \_\_\_\_\_

Regular Gross Salary: \$ \_\_\_\_\_ Per Hour ( ) Per Week ( ) Per Month ( )

Additional Compensation During Past Year: \_\_\_\_\_ Hours normally worked each week \_\_\_\_\_  
Overtime \$ \_\_\_\_\_ Commission \$ \_\_\_\_\_

Bonus \$ \_\_\_\_\_ Other (Specify) \$ \_\_\_\_\_

Deduction for Medical Insurance: \$ \_\_\_\_\_

Name of Employer: \_\_\_\_\_

Address of Employer: \_\_\_\_\_

Information Furnished by: \_\_\_\_\_  
Signature Title Telephone #

FOR OFFICE USE ONLY

Information Verified By: \_\_\_\_\_ Date: \_\_\_\_\_

Remarks: \_\_\_\_\_  
\_\_\_\_\_

Income Verification - Employment  
Revised 3/82

EXHIBIT 3

RENTAL HOUSING LEASE AGREEMENT AND ADDENDUM

..

**SAN DIEGO HOUSING COMMISSION  
RESIDENTIAL LEASE  
RENTAL HOUSING CONSTRUCTION PROGRAM**

Name of Resident _____	Bedrooms _____	No. of Persons _____	Unit No. _____
------------------------	----------------	----------------------	----------------

Address of Housing Unit _____	Effective Date _____	Mo. Rent _____
-------------------------------	----------------------	----------------

Utilities and Services Provided:			
Range _____	Refrigerator _____	Hot & Cold Running Water _____	Sewer Services _____

We, the San Diego Housing Commission, lease to you \_\_\_\_\_ the housing unit described above. The conditions of this lease are listed below.

**1. TERM. THE TERM OF THE LEASE AGREEMENT SHALL BE ONE CALENDAR YEAR.**

**2. USE OF PREMISES.** You may not use the premises for any business or illegal activities. You alone have the right to use and occupy your housing unit as a residence for your household, which consists of \_\_\_\_\_ adults and \_\_\_\_\_ children whose names are:

Adults	Children
_____	_____
_____	_____
_____	_____
_____	_____

Guests will not be allowed to stay for more than 2 weeks without our prior written permission. You promise not to allow someone else to use all or any part of this lease, or to provide accommodations for boarders or lodgers.

\$ \_\_\_\_\_ Gross Rent  
\$ \_\_\_\_\_ Utility Allowance

**3. RENT.** The monthly rent is: \$ \_\_\_\_\_ which you shall pay on or before the first day of each month, beginning \_\_\_\_\_, 19 \_\_\_\_\_. If you lease the housing unit after the first day of the calendar month, your rent payments shall be as follows:

\$ \_\_\_\_\_ to cover the period from \_\_\_\_\_ to \_\_\_\_\_; thereafter payments of \$ \_\_\_\_\_ will be made on the first day of each month for the term of the lease. Your rental payments will be delivered or mailed to us at 121 Broadway, Suite 400, San Diego, California 92101, or any other address designated by us. Please make your check payable to the San Diego Housing Commission. If you vacate the housing unit, you promise to notify us in writing at least 30 days before you leave.

If you vacate without proper notice your housing unit will be declared abandoned and will be prepared for new occupancy. Although we will try to fill the unit with new occupants as soon as possible, you should understand that you will be charged with rent and maintenance (beyond normal wear and tear) for each day up to 30 days that your housing unit is vacant after you leave. Your lease will terminate on the thirtieth day, or when your housing unit is leased to new occupants, whichever comes first. Charges assessed to you for repair and maintenance (beyond normal wear and tear) shall be considered rent, whether you are charged during your occupancy or after it.

4. **LATE CHARGE.** A late rent charge of \$10.00 will be assessed to your account if your rent has not been received by us by the 5th day after it is due.
5. **SECURITY DEPOSIT.** You promise to post a deposit of \$ \_\_\_\_\_ from which we may deduct at the termination of this lease those amounts necessary to (a) cure your defaults in paying rent; (b) clean or repair, except for normal wear and tear, any intentional or negligent damages to the premises caused by guests or members of your household. We promise to return the deposit plus 5% interest within two (2) weeks after the date you move out, less any deductions for any of the costs named above. We will give you a written statement of any charges deducted from the deposit. The deposit may not be used to pay rent or other charges while this lease is in effect.
6. **BASIS FOR RENT.** We base your monthly rent and your dwelling size on the complete and accurate information you give us regarding your family size, your income and income sources, according to the regulations of the California Department of Housing and Community Development. If we find that you have misrepresented the facts on which we base your rent, we may charge you retroactive rent, or we may terminate your lease. Charges assessed to you for maintenance and repair beyond normal wear and tear shall also be considered rent.
7. **YOU PROMISE TO:**
- a. Dispose of garbage, rubbish and other waste from the premises in a safe and sanitary manner.
  - b. Be responsible in the way you use all electrical, plumbing, sanitary, heating, ventilating, and other facilities.
  - c. Pay reasonable cleaning and/or repair charges for damages to the premises (beyond normal wear and tear) which are intentionally or negligently caused by your guests or members of your household.
  - d. Make certain that your guests and members of your household maintain the premises in a decent, safe and sanitary condition.
  - e. Make certain that your guests, and members of your household act in such a way as not to disturb the neighbors' peaceful enjoyment of their own accommodations.
  - f. Notify us immediately, of the need for repairs to your housing unit, and any unsafe conditions on the premises or grounds which might lead to injury or damage.
  - g. Notify us in advance and make arrangements for the care of your housing unit, if you and your family plan to be gone from it for more than fifteen (15) days.
  - h. Obey the reasonable rules and regulations set by us for the benefit of you and your neighbors; the rules will be given to you when you move into the housing unit.
  - i. Give us complete and accurate information regarding your family size, your income and income sources both when you apply for housing, and when redetermination (lease renewal review) takes place.
  - j. Give us written notice 30 days in advance of the day you intend to end the lease.

**YOU PROMISE NOT TO:**

- a. Allow any of your guests or members of your household damage, deface, destroy or remove any part of the premises.
- b. Make any repairs, alterations, or install any equipment without our prior written consent.
- c. Allow someone else to use the lease.
- d. Provide accommodations for boarders and lodgers.

**8. WE PROMISE TO:**

- a. Maintain the premises and grounds in a decent, safe, and sanitary condition.
- b. Make repairs to the premises as needed.
- c. Keep in good and safe working order and condition all electrical, plumbing, sanitary, ventilating and other facilities and appliances supplied by us.



d. Provide receptacles for the deposit of garbage, rubbish and other waste removed from the premises (except containers which are only to be used by individual households).

9. **REDETERMINATION.** Once a year we will ask you how many people are living with you, their ages, their relationship to you, and how long you expect them to live there. We will also ask about your income and income sources. We may increase or decrease your rent or your dwelling size according to this up-dated information. Rent changes will begin the first day of the month following the redetermination and a statement of the new rent signed by us and you will be attached to this lease. If a new dwelling size is needed, we will provide an appropriate size unit, give you a reasonable time in which to move, and supply a new lease covering the housing unit. If you refuse to accept such a transfer we may terminate your lease.

You must notify us immediately whenever there are any changes in the following circumstances:

a. Loss or addition to your household through marriage, divorce, reconciliation, permanent separation, death, desertion or other similar circumstances.

b. Loss or change of source of income of a member of the household.

10. **UTILITIES.** Gas and/or Electricity for your housing unit are used and controlled only by you. You will deal directly with the utility company for the installation, proper operation, and payment. A utility credit allowance has been figured in your rent. You will be given a utility allowance sheet which explains your allowance.

11. **TERMINATION OF LEASE.** You may terminate this lease at any time by giving us at least thirty (30) days written notice. You promise to move promptly, leave the unit in a clean and good condition, and return the keys to us. If you vacate without proper notice, your housing unit will be declared abandoned and will be prepared for new occupancy. Although we will try to fill the unit with new occupants as soon as possible, you should understand that you will be charged with rent and maintenance (beyond normal wear and tear) for each day up to 30 days that your housing unit is vacant after you leave. Your lease will terminate on the thirtieth day, or when your housing unit is leased to new occupants, whichever comes first. We will not terminate or refuse to renew your lease unless you fail to make payments under the lease, or you violate other material terms of the lease. Prior to terminating this lease, we will give you written notice of (a) 14 days in the case of failure to pay rent; and (b) a reasonable time appropriate to the urgency of the situation in the case of the creation or maintenance of an existing threat to the health or safety of other residents or employees; and (c) 30 days in all other cases. Any notice of termination sent to you shall state the reason(s) for the termination, and give you the right to make a reply and to request a conference according to our Grievance Procedure.

If the signer of this lease ceases to be a member of the household, this lease will terminate and a new lease must be signed by a responsible adult member of the family, provided the family is eligible for continued occupancy.

If we transfer you to another housing unit managed by us, this lease shall be terminated and a new lease must be signed by you for the new housing unit into which your family will move. If your housing unit is destroyed by fire or other means, this lease shall automatically be terminated.

12. **INSPECTIONS.** When you move in, we will accompany you on an inspection of the premises, the housing unit, and equipment provided with the unit. A statement concerning the condition of the unit will be given to you to sign and will be kept in your file. When you vacate, an identical inspection will be made and you will be given a statement of any charges to be made. If you fail to arrange for a move-out inspection in this manner or fail to accompany us on the inspection, you agree that our evaluation will be conclusive.

**13. REPAIR CHARGES.** You promise to pay, except for normal wear and tear, all maintenance and repair charges. The basis for the charges will be the *Schedule of Charges* (posted at our office at 121 Broadway and mailed to you upon request). You will receive a bill itemizing the damages and costs, and the bill will be owed to us the first day of the second month following the month in which the charge was made. If you fail to pay such charges, we may terminate your lease and/or take legal action to recover the charges. The security deposit cannot be used to pay for repair charges while you remain an occupant of the unit.

**14. ENTRY.** If we need to enter your housing unit to perform routine inspections or maintenance or to make improvements or repairs, we will do so only during reasonable hours, and we will notify you in writing at least 2 days before such entry. We may enter your housing unit without notifying you in advance if we believe that an emergency exists. We may also enter your housing unit with your verbal permission.

If all the members of your household are absent, we will leave a written statement in your housing unit giving the date, time and purpose of our entry before we leave the unit.

**15. NOTICES.** Notices from us regarding any changes to the contents of this lease will be written and mailed to you. You will put any notice to us in writing and deliver or mail it to our office, properly addressed. Schedules of special charges for services, maintenance, repairs, utilities and regulations shall be posted at our office at 121 Broadway, and will be mailed to you upon request. We will not change such schedules, rules and regulations without at least 30 days written notice to you explaining the proposed change, and giving you the opportunity to present written comments concerning them.

**16. ABANDONED PROPERTY.** After you move out of the unit, all personal property left behind will be considered abandoned and we will dispose of it according to state law.

**17. DEFECTS.** It is both our responsibility and yours to comply with the rules and regulations of any housing or building codes which affect health and safety. If your housing unit is damaged, causing a danger to the life, health, and safety of your household, we will repair the damage within a reasonable time. If you or members of your household or guests cause the damage, you will be charged with the cost of the repairs.

**18. ATTORNEYS' FEES.** If any legal action is brought to enforce any part of this lease, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs and any other relief awarded by the court or provided by California Law. This applies to any expenses incurred by us in collecting rent, including costs of preparing and serving notices.

**19. PETS.** There will be no pets allowed without the prior consent of the Housing Commission. If consent is given, an addendum will be attached to this lease identifying the type and size of pet, and the amount of the additional security deposit required.

**I HAVE READ THIS LEASE AND I TAKE RESPONSIBILITY FOR MY ENTIRE HOUSEHOLD AND GUESTS TO COMPLY WITH ALL THAT THE LEASE CONTAINS.**

\_\_\_\_\_  
Resident's Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident's Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
San Diego Housing Commission Representative

\_\_\_\_\_  
Date



# SAN DIEGO HOUSING COMMISSION

## LEASE ADDENDUM #1

This addendum is considered a part of the lease dated \_\_\_\_\_ on the property located at \_\_\_\_\_, Unit Number \_\_\_\_\_.

TENANT'S INITIALS

1. I will report all changes in my income immediately \_\_\_\_\_
2. I will report all changes in my household and will permit no one not on my lease to reside in my apartment. \_\_\_\_\_
3. I will return all door and mailbox keys when I move out. I understand that rent will be charged until all keys have been returned and a joint move-out inspection is completed by me and the Housing Commission. I understand that if I fail to return my mailbox key, the cost of changing the mailbox lock will be deducted from my security deposit. \_\_\_\_\_
4. I realize that pets are not allowed without prior written consent of the Housing Manager. Permission may be withdrawn if my pet becomes a nuisance or causes damage. \_\_\_\_\_
5. I will not use CONTAC paper (sticky-backed paper used as shelf lining or wallpaper) in my unit. \_\_\_\_\_
6. I will not install deadbolt locks without permission from the Maintenance Department. I understand that if deadbolt locks are installed that I must furnish two (02) keys to the Housing Commission. \_\_\_\_\_

I HAVE READ THE FOREGOING AND I UNDERSTAND ALL PROVISIONS CONTAINED THEREIN:

Tenant Signature	Date	Tenant Signature	Date
Staff Member			Date

SAN DIEGO HOUSING COMMISSION  
RENTAL HOUSING CONSTRUCTION PROGRAM

LEASE ADDENDUM # 2

This addendum is considered a part of the lease dated \_\_\_\_\_  
on the property located at \_\_\_\_\_

- 1 Term - The term of the lease agreement shall be one calendar year
  
2. Basis for Rent - The basis for determining your rent payment is consistent with the regulations and governed by the California Department of Housing and Community Development. The State may periodically adjust the rent levels on the apartment-units. You will be given thirty (30) days notice of any such rent level adjustments.

I have read the foregoing and I understand all provisions contained therein:

\_\_\_\_\_  
Tenant Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Tenant Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Housing Commission Representative

\_\_\_\_\_  
Date

EXHIBIT 4  
GRIEVANCE PROCEDURE

TO:

FROM: San Diego Housing Commission

SUBJECT: GRIEVANCE PROCEDURE

If you feel that the decision of the San Diego Housing Commission is an unjust decision, and if you feel that the interpretation was improper and not in accordance with the Resident Lease Agreement, you may request a hearing before an impartial official.

To obtain a grievance hearing the following procedures must be followed:

- 1 You must first personally present your grievance to the Housing Manager to attempt a settlement of the grievance.
2. If a satisfactory conclusion is not reached, you may file a written request with the San Diego Housing Commission for a  
Hearing Officer



EXHIBIT 5  
MAINTENANCE PLAN



## Responsibilities

The Housing Manager is responsible for all maintenance operations of the San Diego Housing Commission. The Area Manager, who is responsible to the Housing Manager, provides guidance and directly supervises the maintenance staff. He/she must plan, schedule, supervise and inspect all maintenance work to insure its promptness and quality.

## The Maintenance Function

The objective of the maintenance function is to maintain all units in a viable, useful condition.

Maintenance tasks fall into four major categories:

- Service maintenance (Emergency)
- Routine maintenance
- Cycle maintenance
- Extraordinary maintenance.

1. Service Maintenance (Emergency): refers to maintenance items requested to be repaired by tenants or management, i.e., gas leak, stopped-up toilets, no water, broken glass (not cracked), no electricity, no heat, refrigerator/stove out of order.

Also included would be any event or condition that could threaten the health and safety of residents or employees or will cause extensive and expensive damage to the physical development of the unit should be considered an emergency.

2. Routine Maintenance: refers to maintenance of the units as deemed by the Housing Manager and Area Manager. The Housing Manager and Area Manager will maintain a high level of visibility to the tenants. Through the actual physical presence of the Housing Manager and Area Manager on the units, tenant awareness will be developed. At the same time an opportunity will be provided the Housing and Area Managers to inspect the general appearance of the units and to note maintenance items not reported by tenants.

Additional methods of identifying routine maintenance requirements will be provided by:

- Reports from maintenance staff when making a service call
- Housing Counselor visit reports
- Reexamination (annual inspection)

3. Cycle Maintenance (Preventative Maintenance): refers to specific tasks which are performed on a specific time schedule and/or frequency. These include:

<u>Task</u>	<u>Frequency</u>
<u>Painting</u> - Interior	Every 5 years or as needed on move-outs. Every 2-3 years paint will be supplied to tenants.
- Exterior	Trim - every 3 years Unit - 8-10 years
<u>Draperies cleaned</u>	Every 12-18 months
<u>Extermination treatment</u>	Annually, with move-outs, as needed
<u>Heater Filters</u>	Annually replaced
<u>Hot Water Heaters</u> (common)	
- Drain	Every 6 months
<u>Lawn Mower</u> - Tune up	Quarterly
- Oil change	Quarterly
<u>Other Machinery &amp; Equipment</u>	As recommended by the manufacturer

4. Extraordinary Maintenance: refers to maintenance to be identified and budgeted as the need exists, i.e., roof replacement, parking lot repair, structural repair, etc.



# POLICY

EFFECTIVE DATE: TBD

NO: PO-RAD-310.01

SUBJECT: **Administrative Plan for the Rental Assistance Programs**

Page 1 of 2

## 1 Purpose

HUD requires all Public Housing Authorities (PHA) to adopt a written Administrative Plan (the Plan) that establishes local policies for program administration. The Plan must state the PHA's policy in those areas where the PHA has discretion to establish local policy per 24 CFR 982.54. The Plan is updated as needed, generally on an annual basis.

## 2 Definitions

The Administrative Plan is the HUD required written policy of the PHA governing its Rental Assistance Programs. The Administrative Plan and any revisions must be approved by the PHA's Board.

## 3 Policy

- The PHA must adopt a written administrative plan that establishes local policies for administration of programs in accordance with HUD requirements. The administrative plan and any revisions of the plan must be formally adopted by the PHA Board of Commissioners or other authorized PHA officials. The administrative plan states PHA policy on matters for which the PHA has discretion to establish local policies.

- The administrative plan must be in accordance with HUD regulations and requirements. The administrative plan is a supporting document to the PHA plan (part 903 of this title (/cfr/text/24/903) and must be available for public review. The PHA must revise the administrative plan if needed to comply with HUD requirements.

- The PHA must administer the program in accordance with the PHA administrative plan.

- The PHA administrative plan must cover PHA policies as outlined on 24 CFR 982.54 (d).

### Approval Process

The Administrative Plan must be approved by the Board of Commissioners.

# POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO- RAD-310.01

**SUBJECT:** Administrative Plan for the Rental Assistance Programs

Page 2 of 2

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## Distribution

After the Plan is approved, it is posted on the Intranet for staff reference and on the San Diego Housing Commission website for public and HUD review.

## **Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

## **History:**

9/30/1985  
2/05/1990  
3/18/1991  
5/11/1992  
11/15/1993  
10/21/1994  
5/01/1995  
2/12/1996  
2/4/2000  
3/23/2000  
6/30/2000  
11/1/2002  
2/21/2003  
2/27/2004  
2/25/2005  
3/03/2006  
3/23/2007  
4/04/2008  
7/10/2009

## **Revision Date:**

8/21/2009



# POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO-RAP-310.01

**SUBJECT:** **Administrative Plan for the Rental Assistance Programs**

Page 1 of 2

---

1 Purpose

HUD requires all Public Housing Authorities (PHA) to adopt a written Administrative Plan (the Plan) that establishes local policies for program administration. The Plan must state the PHA's policy in those areas where the PHA has discretion to establish local policy per 24 CFR 982.54. The Plan is updated as needed, generally on an annual basis.

2 Definitions

The Administrative Plan is the HUD required written policy of the PHA governing its Rental Assistance Programs. The Administrative Plan and any revisions must be approved by the PHA's Board.

3 Policy

- The PHA must adopt a written administrative plan that establishes local policies for administration of programs in accordance with HUD requirements. The administrative plan and any revisions of the plan must be formally adopted by the PHA Board of Commissioners or other authorized PHA officials. The administrative plan states PHA policy on matters for which the PHA has discretion to establish local policies.
- The administrative plan must be in accordance with HUD regulations and requirements. The administrative plan is a supporting document to the PHA plan (part 903 of this title (/cfr/text/24/903) and must be available for public review. The PHA must revise the administrative plan if needed to comply with HUD requirements.
- The PHA must administer the program in accordance with the PHA administrative plan.
- The PHA administrative plan must cover PHA policies as outlined on 24 CFR 982.54 (d).

Approval Process

The Administrative Plan must be approved by the Board of Commissioners

# POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO-RAP-310.01

**SUBJECT:** Administrative Plan for the Rental Assistance Programs

Page 2 of 2

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## **Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

## **History:**

9/30/1985  
2/05/1990  
3/18/1991  
5/11/1992  
11/15/1993  
10/21/1994  
5/01/1995  
2/12/1996  
2/4/2000  
3/23/2000  
6/30/2000  
11/1/2002  
2/21/2003  
2/27/2004  
2/25/2005  
3/03/2006  
3/23/2007  
4/04/2008  
7/10/2009

## **Revision Date:**

8/21/2009



# POLICY

**EFFECTIVE DATE:** 7/20/87

**NO:** PO-RED-318.03

**SUBJECT:** REDEVELOPMENT AREA REHABILITATION

Page 1 of 2

1. PURPOSE

1.1 To state Commission policy and parameters concerning rehabilitation of owner-occupied properties utilizing Redevelopment Housing Set-Aside funds in Redevelopment Areas. Programs currently exist in the Mt. Hope, Southcrest and Central Imperial Redevelopment Areas, and Dells Imperial Study Area.

2. POLICY

2.1 The Program shall be administered in accordance with an Agreement between the Redevelopment Agency of the City of San Diego and the San Diego Housing Commission, for the Mt. Hope, Southcrest and Central Imperial Redevelopment Areas, as well as the Dells Imperial Study Area, including the Southeastern Economic Development Corporation as a signatory, establishing and governing a Housing Rehabilitation Program.

2.2 Eligible applicants shall own and occupy 1-2 unit residential properties within the designated Rehabilitation Area and have incomes that do not exceed 120% of the MAI (Median Area Income), as published annually by the U. S. Department of Housing and Urban Development.

2.3 For eligible owner-occupants of 1-2 unit residences, the following loans and grants will be available:

A. Three percent simple interest loans fully deferred and due in full upon sale, transfer of ownership, or 15 years from the date of the loan. These deferred loans are available to homeowners with incomes under 80% of the MAI. Borrower may have option of a no interest (0%) loan amortized for fifteen (15) years requiring principal-only payments if able to qualify using current underwriting guidelines.

B. Home Repair Grants up to \$5,000 may be provided for repair of health, safety and emergency hazards for owner-occupants with incomes not exceeding 80% of the MAI. Twenty (20) percent of the grant will be forgiven each year for five (5) years if the property remains owner-occupied.

# POLICY

**EFFECTIVE DATE:** 7/20/87

**NO:** PO-RED-318.03

**SUBJECT:** REDEVELOPMENT AREA REHABILITATION

Page 2 of 2

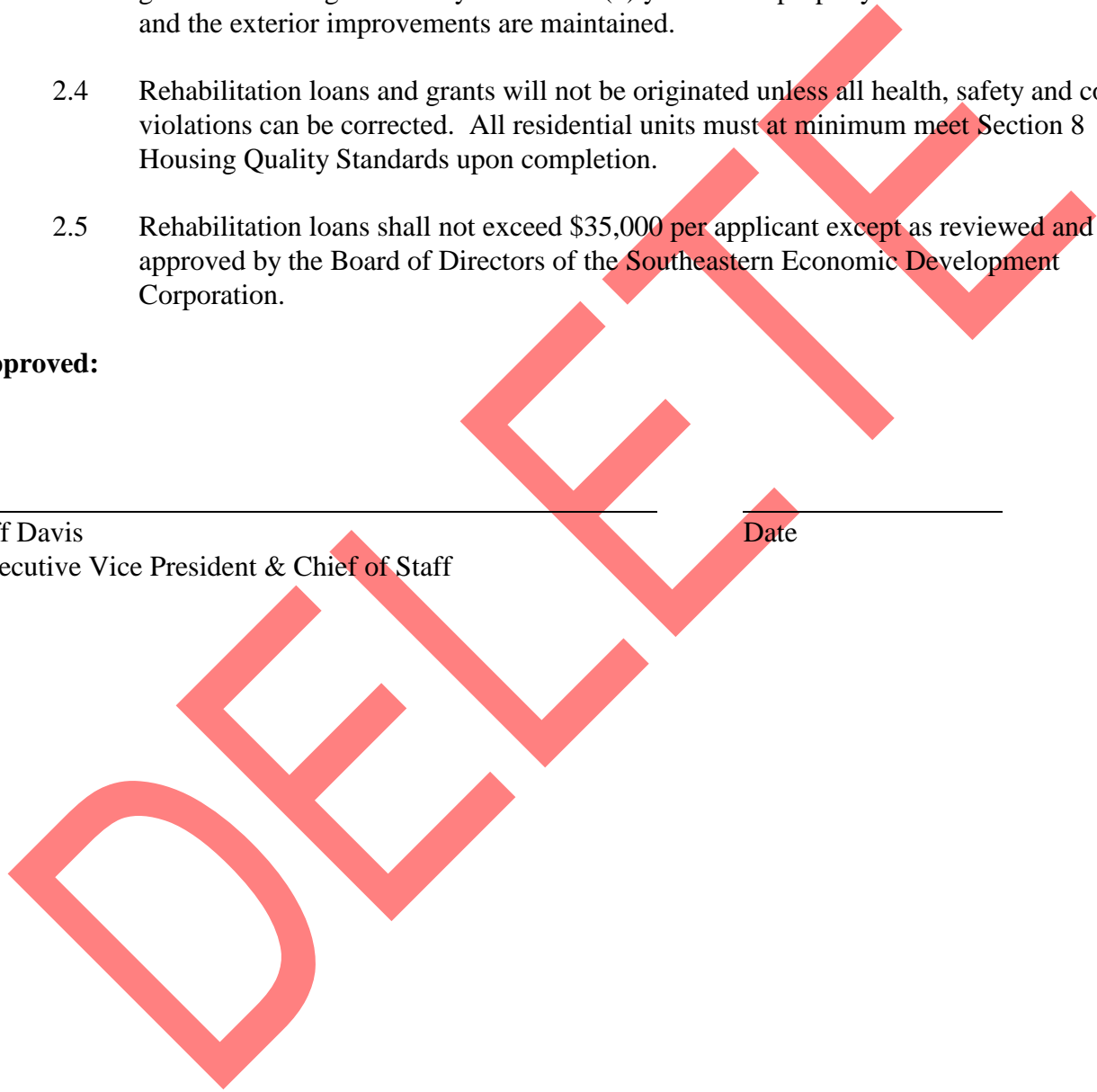
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- C. Exterior Enhancement Grants up to \$5,000 for eligible exterior improvements to owner-occupants with incomes not exceeding 100% of the MAI. Twenty (20) percent of the grant will be forgiven each year for five (5) years if the property remains owner-occupied and the exterior improvements are maintained.
- 2.4 Rehabilitation loans and grants will not be originated unless all health, safety and code violations can be corrected. All residential units must at minimum meet Section 8 Housing Quality Standards upon completion.
- 2.5 Rehabilitation loans shall not exceed \$35,000 per applicant except as reviewed and approved by the Board of Directors of the Southeastern Economic Development Corporation.

**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date







# POLICY

**EFFECTIVE DATE:** 7/20/1987

**NO:** PO-RED-317.02

**REVISION HISTORY:** 11/14/1994; 12/08/1998; 05/25/1999;

**SUBJECT:** RENTAL PROPERTY REHABILITATION

Page 1 of 3

**[Supersedes Policy 600.202, Issued: 7/20/1987, Effective 7/20/1987]**

1 Purpose

- 1.1 To state Commission policy and parameters concerning rental property rehabilitation projects.

2 Policy

- 1.2 The Program will be administered in accordance with all pertinent federal, state or local laws.

- 1.3 For eligible rental property owners the following loan terms will be available:

A. Rehabilitation loans will be offered to for-profit owned rental properties that are in the designated Livable Neighborhoods and Enterprise Community Area in the City of San Diego. A ten year loan will be offered, up to \$15,000 per unit, at no (0%) interest with payments deferred for the term of the loan. The owners will have an option to extend deferment and affordability period for up to ten additional years. Covenants, Conditions and Restrictions will be recorded against the property restricting rents for ten years, with an option to prepay the loan after five years and end the rental restrictions.

B. For nonprofit organizations, a 30 year loan with a three percent simple interest rate will be offered. The loan will be reviewed in 15 years. Payments on the loan will be based on the net cash flow of the project (residual receipts) are payment of expenses and other debt.

Payments on the loan will be charged first to the interest and next to the principal. The affordability period will be for the life of the loan or as required by the HOME Program regulations, whichever is more restrictive.

# POLICY

**EFFECTIVE DATE:** 7/20/1987

**NO:** PO-RED-317.02

**REVISION HISTORY:** 11/14/1994; 12/08/1998; 05/25/1999;

**SUBJECT:** RENTAL PROPERTY REHABILITATION

Page 2 of 3

In designated Livable Neighborhoods or Enterprise Community Areas within the City of San Diego, nonprofit owners have an option to the same terms as for-profit owners as stated in 2.2A above.

- 1.4 Loans provided for investor-owned rental property will carry a 10 percent interest rate in the event of a default or foreclosure action that results in the rent restrictions on the property being eliminated.
- 1.5 Rental projects will be eligible for rehabilitation loans only if a positive cash flow exists for the property with rent restrictions in place. Rent restrictions will model those in the HOME Program.
- 1.6 Rental property owners of five or more units will be required to provide management plans for their projects. All rental property owners shall provide for on site owner representation where full time management is not required by law, as well as the project operating budget for the previous current years.
- 1.7 Regardless of the project's loan-to-value or debt ratio, the Housing Commission will loan no more than \$10,000 per unit for rehabilitation of rental properties consisting of five or more residential units, with an overall loan maximum of \$500,000. Pursuant to this policy, loans in excess of these amounts may be processed under Policy 600.301.
- 1.8 In addition to the loan conditions mentioned in paragraph 2.6, the following revocable grants may be provided:
  - A. A grant equal to the cost of retrofitting a minimum of five percent of the rental units to meet the needs of mobility impaired and two percent for sight and hearing impaired individuals.
  - B. Provide a grant equal to the cost of abating or containing hazardous material.
- 1.9
- 1.10 A Notice of Funding Availability (NOFA) will be utilized to advertise the availability funds for investor and nonprofit owned rental property rehabilitation.

**Approved:**

# POLICY

**EFFECTIVE DATE:** 7/20/1987

**NO:** PO-RED-317.02

**REVISION HISTORY:** 11/14/1994; 12/08/1998; 05/25/1999;

**SUBJECT:** RENTAL PROPERTY REHABILITATION

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Jeff Davis  
Executive Vice President & Chief of Staff

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Date

DELETED



# POLICY

**EFFECTIVE DATE:** July 20, 1987 **NO:** PO-RED-318.02  
**REVISION HISTORY:** 8/1/89; 1/18/90; 11/15/93; 3/22/94; 11/14/94,  
5/12/98, 5/25/99, 10/16/01  
**SUBJECT:** **OWNER-OCCUPIED HOUSING REHABILITATION**

Page 1 of 4

1. PURPOSE

1.1 To state Commission policy and parameters concerning rehabilitation of owner-occupied 1-4 unit properties, including mobile homes.

2. DEFINITIONS

3. POLICY

2.1 The Program shall be administered in accordance with regulations governing the following source of funds utilized for each specific project and local policies governing housing rehabilitation: Federal Community Development Block Grant (CDBG), Federal HOME Investment Partnerships Program (HOME), and San Diego City Ordinance O-17454.

2.2 Eligible applicants shall own and occupy one-to-four unit residential properties and have incomes that do not exceed 80 percent of the MAI (Median Area Income), as published annually by the U.S. Department of Housing and Urban Development. Eligible applicants who own and occupy a mobile home must have incomes that do not exceed 60 percent of the MAI.

2.3 Applications from eligible one-to-four unit owner-occupants and mobile home owner-occupants shall be accepted on a citywide basis. Applicants for assistance from targeted rehabilitation programs such as the Special Redevelopment Area must reside within the boundaries of these operating areas. Projects funded through the HOME Investment Partnerships Program must be located in HOME eligible census tracts designated within the Consolidated Plan or successor documents.

2.4 Owner-occupied housing rehabilitation loans will follow existing processing procedures currently in place for the Commission's Rehabilitation Program and in accordance with the purpose and policy of the Housing Rehabilitation Program General Policy No. 600.201.

# POLICY

**EFFECTIVE DATE:** July 20, 1987

**NO:** PO-RED-318.02

**REVISION HISTORY:** 8/1/89; 1/18/90; 11/15/93; 3/22/94; 11/14/94,  
5/12/98, 5/25/99, 10/16/01

**SUBJECT:** **OWNER-OCCUPIED HOUSING REHABILITATION**

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- 2.5 Owner-occupied one-to-four unit housing rehabilitation loans will be underwritten in accordance with existing Housing Commission Lending Authority Policy No. 600.101.
- 2.6 Mobile home loans will be underwritten based upon the owner's ability to prove ownership, owner-occupancy, and the unit's need for rehabilitation.
- 2.7 For eligible owner-occupants of one-to-four unit residences, the following loan terms will be available. Qualification for these terms will be based upon the homeowner's ability to make payments, considering debt and rehabilitation costs in relation to household income:
- A. Loans up to \$45,000 for single unit and up to \$100,000 for 2-4 unit properties: three percent simple interest loans fully amortized over 15 years. Three percent simple interest partially deferred loans requiring a minimum of \$50 per month payment which will be applied first to the interest due and any remaining amount to the principal owed. Full remaining principal and accrued interest will be due upon sale, transfer of ownership, or 15 years from the loan date. If at the end of 15 years a borrower is incapable of repaying the loan, either in a lump sum or monthly payments, the deferred loan may be extended for additional five-year terms. The Chief Executive Officer may waive the minimum monthly payment in the event of hardship.
- B. Loans exceeding \$45,000 for single unit and exceeding \$100,000 for 2-4 unit properties:
- 1) No (0%) interest deferred Shared Equity loan. No monthly payments are required, and no interest will accrue on loan, however, borrower to repay full amount of loan principal upon future sale, transfer, exchange, conveyance, lease, or rental of subject property ("transfer"), and, if such transfer occurs prior to fifteen (15) years from date of loan, borrower shall also pay a prorated share of equity to the Commission. The amount of "equity" to be shared will be the difference between the "after-rehabilitation value" and the future resale value, less principal balances on senior loan(s) and Shared Equity loans, and credits to borrower for any payments paid by borrower for purchase of the security property (including down payment, installment payments of mortgage principal, escrow fees, transfer taxes, recording fees, brokerage commissions and similar costs of acquisition actually paid by borrower), and money paid by borrower for capital improvements to the property, plus not less than the legal rate of interest on those cash payments. Such capital improvements must be approved by the Commission prior to

# POLICY

**EFFECTIVE DATE:** July 20, 1987

**NO:** PO-RED-318.02

**REVISION HISTORY:** 8/1/89; 1/18/90; 11/15/93; 3/22/94; 11/14/94,  
5/12/98, 5/25/99, 10/16/01

**SUBJECT:** **OWNER-OCCUPIED HOUSING REHABILITATION**

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construction and must be documented to the satisfaction of the Commission. If sold within the first year of rehabilitation loan, borrower to share 50% and Commission 50% of equity. The borrower's share of equity will increase by one (1) percent per year starting at the anniversary date of loan, and Commission's share will decrease by one (1) percent per year. The Commission's share of equity is waived after the fifteenth year of residency.

- C. Eligible owner-occupants of mobile homes registered with the State Department of Housing and Community Development (HCD) will be offered a maximum loan of \$12,000 for rehabilitation, or \$15,000 for the purchase and rehabilitation of a replacement mobile home. These loans will be no interest (0%) partially deferred 15-year loans requiring a minimum of \$25 per month payments applied to principal owed. Full remaining principal will be due if prior to expiration of the loan period there is a sale or transfer of ownership. The loan will be completely dismissed upon expiration of the 15-year loan period. The Chief Executive Officer may waive the minimum monthly payment in the event of hardship.
- 2.8 No-interest deferred loans up to \$10,000 may be provided for repair of health, safety and emergency hazards for owner-occupants of one-unit residences with incomes not exceeding 60 percent of the MAI. These no-interest deferred loans will be underwritten based upon proof of ownership, owner-occupancy, and need of rehabilitation, and must be repaid without interest upon sale, transfer, rental or refinance of the subject property. A property owner cannot receive more than one such fully deferred loan for their residence.
- 2.9 Mobile home repair grants up to \$3,500 to eliminate health and safety hazards are available to owner-occupants with incomes not exceeding 60 percent of MAI. These grants are increased to a maximum of \$5,000 for residents of mobile home parks determined by the Chief Executive Officer to be distressed. A mobile home owner cannot receive more than one such grant for their mobile home.
- 2.10 No Interest Deferred Payment Loans up to \$5,000 per unit to a maximum of \$15,000 per multi-family (1-4 unit) property may be provided to applicants for the costs of abatement or containment of hazardous material. These deferred loans must be repaid without interest upon sale, transfer, rental or refinance of the subject property.
- 2.11 To be considered eligible for rehabilitation program participation, properties consisting of one residential unit must have an after-rehabilitation appraised value not exceeding 110

# POLICY

**EFFECTIVE DATE:** July 20, 1987

**NO:** PO-RED-318.02

**REVISION HISTORY:** 8/1/89; 1/18/90; 11/15/93; 3/22/94; 11/14/94,  
5/12/98, 5/25/99, 10/16/01

**SUBJECT:** **OWNER-OCCUPIED HOUSING REHABILITATION**

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percent of the median price of single family homes in San Diego as published by the U.S. Department of Housing and Urban Development.

- 2.12 For the purpose of program eligibility determination, the income of an applicant shall include all verifiable income.
- 2.13 To avoid speculation, recipients of owner-occupied rehabilitation loans who sell their residences within three years from the date of the loan will be required to repay the loan at the market interest rate charged at the time the loan is funded. The Chief Executive Officer may waive this requirement based upon individual circumstances.
- 2.14 Rehabilitation loans will not be originated unless all health, safety and code violations can be corrected. All residential units must at minimum meet Section 8 Housing Quality Standards upon completion.
- 2.15 The below market interest rates provided in 2.7 may be achieved through direct lending or the Commission's Leveraged Lending Agreement with a private lender(s), if available.

**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date



# POLICY

EFFECTIVE DATE: TBD

NO: PO-RED-325.02

SUBJECT: HOUSING COMMISSION LOAN RESTRUCTURING AND  
MODIFICATION POLICY

Page 1 of 6

## 1 Purpose

To state San Diego Housing Commission (“Housing Commission”) policy and program parameters for the modification and restructuring of existing loans.

While it is the purpose of this policy to provide overall general guidelines and standards for loan modifications, circumstances may arise that are not addressed herein. In these cases, the Chief Executive Officer (CEO) may, with the advice of General Counsel, take action deemed most appropriate under the circumstances. If individual cases require deviation from these standards and guidelines, the ~~Chief Executive Officer~~ CEO or designee will be authorized or recommend authorization to the appropriate body as outlined in the level of authority.

## 2 Definitions

Terms or words used within this policy are defined within the policy, itself or by reference to other applicable references in which the words and or terms are defined.

## 3 Policy

3.1 Loan Modifications: A loan modification is a written agreement between the Housing Commission, as the beneficiary, and the borrower, as the trustor, which alters the terms and/or conditions of the Housing Commission’s loan.

~~2.1.1~~—The modification of any loan shall be in accordance with all applicable federal, state or local laws, and regulations.

~~2.1.1~~

~~2.1.2~~

~~2.1.3~~—All requests for loan modifications shall be reviewed on a case-by-case basis by Housing Commission staff qualified to underwrite loans. Each request will be analyzed using current data. The borrowers will be charged for all out-of-pocket expenses, including a loan modification/processing fee, which may be adjusted from time-to-time by the Housing Commission, to recover Housing Commission direct and indirect costs related to the loan modification. In the case of a hardship to the borrower who is a ~~very~~ low-income owner occupant, the fees may be added to the outstanding principal balance of the Housing Commission’s loan, with a complete disclosure to the borrower of the cost of the fee for modification over





# POLICY

EFFECTIVE DATE: TBD

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SUBJECT: HOUSING COMMISSION LOAN RESTRUCTURING AND MODIFICATION POLICY

the term of the loan.

~~2.1.4~~

~~2.1.5~~ When Housing Commission loan documents allow for the modification of the terms of the loan upon the occurrence of certain events, then the Housing Commission shall modify the affected loan documents upon the occurrence of the stated event(s). ~~The borrowers will be charged for all out of pocket expenses, including a loan modification/processing fee, which may be adjusted from time to time by the Commission.~~

2.1.2 A

2.1.6 2.1.3 All requests for loan modifications on multifamily loans (defined as 5 or more units) will be reviewed by staff qualified to underwrite the loan. A recommendation will be prepared for review and approval by the Senior Vice President of the Real Estate Division. The following loan modification requests shall require Housing Commission and/or Housing Authority approval:

- Waiver, modification, or deferral of any Housing Commission required condition
- Litigation settlements
- Workouts / restructurings
- Changes in senior debt, loan terms, interest rates, or affordability requirements.

2.2 ~~The Chief Executive Officer~~ CEO or designee shall be authorized to approve requests for loan modifications in cases listed below.

2.2.1 Existing loan documents specify that the property is to be owner-occupied, but the property has changed from owner-occupied to rental due to circumstances beyond the control of the borrower. In such cases, the loan terms may be modified, as allowed by the funding source, including an increase or decrease in the interest rate to coincide with rates then being charged by institutional lenders for similar property or those charged under other Housing Commission programs. In cases where the change in occupancy, from owner-occupied to rental is not approved by the ~~Chief Executive Officer~~ CEO, the loan may be accelerated, causing it to become all due and payable.



# POLICY

**EFFECTIVE DATE:** TBD **NO:** PO-RED-325.02  
**SUBJECT:** HOUSING COMMISSION LOAN RESTRUCTURING AND MODIFICATION POLICY

2.2.2 The Housing Commission is requested to issue a partial reconveyance that will release a portion of the property. A partial reconveyance will be authorized in cases where remaining property adequately secures the outstanding debt under the terms of the loan documents, adequate title insurance is provided after recordation of the partial reconveyance, and it has been determined that property remaining subject to the deed of trust constitute legal lots within the meaning of the Subdivision Map Act and local ordinances. Staff may request such information from the borrower that it deems necessary to make a recommendation for partial reconveyance. ~~The borrower shall pay fees and related expenses as determined by the Housing Commission to adequately cover costs associated with making a determination in response to this request.~~

2.3 ~~The Chief Executive Officer~~ CEO or designee shall be authorized to deny requests for loan modifications in cases where:

~~2.3.1~~ The borrowers are able to meet existing loan terms or have sufficient assets or income to fully repay ~~protect~~ the Housing Commission’s investment. The owners will be responsible to pay the monthly payments as due. ~~If the request is regarding a rental project, no consideration will be given regarding the project’s ability to cover the debt service, the loan-to-value ratio, or condition of the property; or~~

~~The rental project has sufficient income to pay all operating expenses and has a debt coverage ratio of 1.1 or greater.~~

~~1.1~~ ~~The Chief Executive Officer is authorized to grant a full or partial deferral for up to five years for loans on owner-occupied properties. Loan Committee shall be granted authority to defer or partially defer all other loans funded directly by the Housing Commission for up to five years. Deferrals for loans will be provided if the following conditions are met:~~

~~1.1.1~~ ~~The property does not have sufficient equity to cover the Housing Commission’s lien;~~

~~1.1.2~~ ~~The owners appear to have very limited or no assets; and~~

~~1.1.3~~ ~~The deferral of the payments due the Housing Commission will make the project feasible.~~



# POLICY

EFFECTIVE DATE: TBD

NO: PO-RED-325.02

SUBJECT: HOUSING COMMISSION LOAN RESTRUCTURING AND MODIFICATION POLICY

~~1.2~~ ~~In cases where deferment will not make the project feasible and restructuring of the Commission's debt is required (i.e. reduction in the interest rate or monthly payment, loan term deferment), the authority for approval will be based on the Level of Authority as described in the Housing Program Lending Authority Policy 600.101. Notwithstanding Policy 600.101, the request for modification of loans on rental properties will be presented to the Housing Commission Board for consideration when the Housing Commission's investment exceeds \$50,000.~~

43.1 Subordination Requests. A subordinate mortgage is a mortgage with a lower lien priority than other liens. In the event of a foreclosure, a subordinate mortgage claim is only paid after satisfaction of all higher priority claims. Housing Commission loans are routinely subordinate to conventional financing and depending on the other financing, may also be subordinate to other public agency financing such as State funds.

3.1.1 The subordination of any loan shall be in accordance with all applicable federal, state or local laws, and regulations.

3.1.2 All requests for loan subordination shall be reviewed on a case-by-case basis by Housing Commission staff qualified to underwrite or service the loans. Each request will be analyzed to determine how the request impacts the Housing Commission investment. Subordination requests that do not impose additional risk to the Housing Commission, that do not subordinate the Housing Commission investment to additional debt (except fees), and that do not involve cash out refinancing, may be approved by the CEO or designee.

~~3.1.3~~ A request for a subordination on 1-4 units where the owner wants to withdraw equity from the property (cash-out refinance), shall be reviewed on a case-by-case basis by Housing Commission staff qualified to underwrite or service the loans. Each request will require the borrower to submit a complete financial package including, but not limited to updated income verification and tax returns, verification of assets, credit report, preliminary title report and appraisal. Each request will be analyzed to determine how the request impacts the Housing Commission investment and must be in compliance with established guidelines and procedures. Cash-out subordinations for 1-4 units may be approved by the CEO or designee.

3.1.3

All requests for loan subordination for multifamily rental properties that impose



# POLICY

EFFECTIVE DATE: TBD

NO: PO-RED-325.02

SUBJECT: HOUSING COMMISSION LOAN RESTRUCTURING AND  
MODIFICATION POLICY

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- 
- additional risk to the Housing Commission investment shall be reviewed for approval by the Housing Commission and/or Housing Authority Board.
- 3.1.4 The borrowers will be charged for all out-of-pocket expenses, including subordination /processing fee, which may be adjusted from time-to-time by the Housing Commission, to recover Housing Commission direct and indirect costs related to the loan subordination.
- 4.1 Assignment and Assumption Requests. An assignment and assumption is a request to transfer rights and privileges from one person to another. The ASSIGNEE acquires the same rights and privileges as the ASSIGNOR. The Housing Commission periodically receives requests to assign the Loan Agreement, Deed of Trust and Covenants, Conditions & Restrictions from an existing owner (ASSIGNOR) to a new owner (ASSIGNEE).
- 1.1.1 The assignment and assumption of any loan shall be in accordance with all applicable federal, state or local laws, and regulations.
- 1.1.2 All requests for assignment and assumptions shall be reviewed on a case-by-case basis by Housing Commission staff qualified to underwrite or service the loans. Each request will be analyzed to determine how the request impacts the Housing Commission investment. Assignment and Assumption requests that do not impose additional risk to the Housing Commission, that do not involve a subordination request, and that demonstrate the ASSIGNEE has the financial capacity and experience to assume all rights and responsibilities of the ASSIGNOR may be approved by the CEO or designee.
- 1.1.3 All requests for assignment and assumption that impose additional risk to the Housing Commission investment shall be reviewed for approval by the Housing Commission and/or Housing Authority Board/
- 1.1.4 The ASSIGNEE/ASSIGNOR will be charged for all out-of-pocket expenses, including a processing fee, which may be adjusted from time-to-time by the Commission, to recover Housing Commission direct and indirect costs related to the assignment and assumption.



# POLICY

EFFECTIVE DATE: TBD

NO: PO-RED-325.02

SUBJECT: HOUSING COMMISSION LOAN RESTRUCTURING AND MODIFICATION POLICY

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1.2 Housing Commission staff will produce the following reports:

~~1.2.1~~ A Loan Portfolio Status report shall be provided to the Housing Commission on a quarterly basis, disclosing all loans modified by the ~~Chief Executive Officer (CEO) or the Loan Committee~~. The report will identify the substance of the modification and rationale for the action. ~~The information will be incorporated into the quarterly Status of Loan Portfolio report.~~

~~1.2.2~~ A report will be provided to the Housing Commission at the beginning of calendar year of all loans becoming due and payable in that calendar year, including loans that were deferred and revert to monthly payments.

Approved:

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

**History:**  
3/25/1996

**Revision Date:**  
5/25/1999



# POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO-RED-325.02

**SUBJECT:** **HOUSING COMMISSION LOAN RESTRUCTURING AND  
MODIFICATION POLICY**

Page 1 of 5

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## **1** **Purpose**

To state San Diego Housing Commission (“Housing Commission”) policy and program parameters for the modification and restructuring of existing loans.

While it is the purpose of this policy to provide overall general guidelines and standards for loan modifications, circumstances may arise that are not addressed herein. In these cases, the Chief Executive Officer (CEO) may, with the advice of General Counsel, take action deemed most appropriate under the circumstances. If individual cases require deviation from these standards and guidelines, the CEO or designee will be authorized or recommend authorization to the appropriate body as outlined in the level of authority.

## **2** **Definitions**

Terms utilized within this policy are either defined the first time that the term is utilized or there is a cross reference to other sources that provide those definitions.

## **3** **Policy**

- 3.1 Loan Modifications: A loan modification is a written agreement between the Housing Commission, as the beneficiary, and the borrower, as the trustor, which alters the terms and/or conditions of the Housing Commission’s loan.
  - 3.1.1 The modification of any loan shall be in accordance with all applicable federal, state or local laws, and regulations.
  - 3.1.2 All requests for loan modifications shall be reviewed on a case-by-case basis by Housing Commission staff qualified to underwrite loans. Each request will be analyzed using current data. The borrowers will be charged for all out-of-pocket expenses, including a loan modification/processing fee, which may be adjusted from time-to-time by the Housing Commission, to recover Housing Commission direct and indirect costs related to the loan modification. In the case of a hardship to the borrower who is a low-income owner occupant, the fees may be added to the outstanding principal balance of the Housing Commission’s loan, with a complete disclosure to the borrower of the cost of the fee for modification over the term of the loan. When Housing Commission loan documents allow for the modification of the terms of the loan upon the occurrence of certain events, then



## POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO-RED-325.02

**SUBJECT:** **HOUSING COMMISSION LOAN RESTRUCTURING AND  
MODIFICATION POLICY**

Page 2 of 5

the Housing Commission shall modify the affected loan documents upon the occurrence of the stated event(s).

3.1.3 All requests for loan modifications on multifamily loans (defined as 5 or more units) will be reviewed by staff qualified to underwrite the loan. A recommendation will be prepared for review and approval by the Senior Vice President of the Real Estate Division. The following loan modification requests shall require Housing Commission and/or Housing Authority approval:

- Waiver, modification, or deferral of any Housing Commission required condition
- Litigation settlements
- Workouts / restructurings
- Changes in senior debt, loan terms, interest rates, or affordability requirements.

3.2 The CEO or designee shall be authorized to approve requests for loan modifications in cases listed below.

3.2.1 Existing loan documents specify that the property is to be owner-occupied, but the property has changed from owner-occupied to rental due to circumstances beyond the control of the borrower. In such cases, the loan terms may be modified, as allowed by the funding source, including an increase or decrease in the interest rate to coincide with rates then being charged by institutional lenders for similar property or those charged under other Housing Commission programs. In cases where the change in occupancy, from owner-occupied to rental is not approved by the CEO, the loan may be accelerated, causing it to become all due and payable.

3.2.2 The Housing Commission is requested to issue a partial reconveyance that will release a portion of the property. A partial reconveyance will be authorized in cases where remaining property adequately secures the outstanding debt under the terms of the loan documents, adequate title insurance is provided after recordation of the partial reconveyance, and it has been determined that property remaining subject to the deed of trust constitute legal lots within the meaning of the Subdivision Map Act and local ordinances. Staff may request such information from the borrower that it deems necessary to make a recommendation for partial reconveyance.

3.3 The CEO or designee shall be authorized to deny requests for loan modifications in



## POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO-RED-325.02

**SUBJECT:** **HOUSING COMMISSION LOAN RESTRUCTURING AND  
MODIFICATION POLICY**

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cases where:

3.3.1 The borrowers are able to meet existing loan terms or have sufficient assets or income to fully repay the Housing Commission's investment. The owners will be responsible to pay the monthly payments as due.

3.4 Subordination Requests. A subordinate mortgage is a mortgage with a lower lien priority than other liens. In the event of a foreclosure, a subordinate mortgage claim is only paid after satisfaction of all higher priority claims. Housing Commission loans are routinely subordinate to conventional financing and depending on the other financing, may also be subordinate to other public agency financing such as State funds.

3.4.1 The subordination of any loan shall be in accordance with all applicable federal, state or local laws, and regulations.

3.4.2 All requests for loan subordination shall be reviewed on a case-by-case basis by Housing Commission staff qualified to underwrite or service the loans. Each request will be analyzed to determine how the request impacts the Housing Commission investment. Subordination requests that do not impose additional risk to the Housing Commission, that do not subordinate the Housing Commission investment to additional debt (except fees), and that do not involve cash out refinancing, may be approved by the CEO or designee.

3.4.3 A request for a subordination on 1-4 units where the owner wants to withdraw equity from the property (cash-out refinance), shall be reviewed on a case-by-case basis by Housing Commission staff qualified to underwrite or service the loans. Each request will require the borrower to submit a complete financial package including, but not limited to updated income verification and tax returns, verification of assets, credit report, preliminary title report and appraisal. Each request will be analyzed to determine how the request impacts the Housing Commission investment and must be in compliance with established guidelines and procedures. Cash-out subordinations for 1-4 units may be approved by the CEO or designee.

All requests for loan subordination for multifamily rental properties that impose additional risk to the Housing Commission investment shall be reviewed for approval by the Housing Commission and/or Housing Authority Board.

3.4.4 The borrowers will be charged for all out-of-pocket expenses, including subordination /processing fee, which may be adjusted from time-to-time by the Housing Commission, to recover Housing Commission direct and indirect costs





## POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO-RED-325.02

**SUBJECT:** **HOUSING COMMISSION LOAN RESTRUCTURING AND  
MODIFICATION POLICY**

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related to the loan subordination.

- 4.1 Assignment and Assumption Requests. An assignment and assumption is a request to transfer rights and privileges from one person to another. The ASSIGNEE acquires the same rights and privileges as the ASSIGNOR. The Housing Commission periodically receives requests to assign the Loan Agreement, Deed of Trust and Covenants, Conditions & Restrictions from an existing owner (ASSIGNOR) to a new owner (ASSIGNEE).
  - 4.1.1 The assignment and assumption of any loan shall be in accordance with all applicable federal, state or local laws, and regulations.
  - 4.1.2 All requests for assignment and assumptions shall be reviewed on a case-by-case basis by Housing Commission staff qualified to underwrite or service the loans. Each request will be analyzed to determine how the request impacts the Housing Commission investment. Assignment and Assumption requests that do not impose additional risk to the Housing Commission, that do not involve a subordination request, and that demonstrate the ASSIGNEE has the financial capacity and experience to assume all rights and responsibilities of the ASSIGNOR may be approved by the CEO or designee.
  - 4.1.3 All requests for assignment and assumption that impose additional risk to the Housing Commission investment shall be reviewed for approval by the Housing Commission and/or Housing Authority Board/
  - 4.1.4 The ASSIGNEE/ASSIGNOR will be charged for all out-of-pocket expenses, including a processing fee, which may be adjusted from time-to-time by the Commission, to recover Housing Commission direct and indirect costs related to the assignment and assumption.
- 4.2 Housing Commission staff will produce the following reports:
  - 4.2.1 A Loan Portfolio Status report shall be provided to the Housing Commission on a quarterly basis, disclosing all loans modified by the CEO. The report will identify the substance of the modification and rationale for the action.



SAN DIEGO  
HOUSING  
COMMISSION

## POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO-RED-325.02

**SUBJECT:** HOUSING COMMISSION LOAN RESTRUCTURING AND  
MODIFICATION POLICY

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**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

**History:**  
3/25/1996

**Revision Date:**  
5/25/1999



## POLICY

**EFFECTIVE DATE:** 7/20/87

**NO:** PO-RED-325.01

**REVISION HISTORY:** 8/1/89; 1/18/90; 1/15/93; 3/22/94; 11/14/94;  
5/25/99; 6/18/10

**SUBJECT:** HOUSING COMMISSION LOAN DEFAULTS, FORECLOSURES,  
AND SHORT SALES

Page 1 of 5

### 1 Purpose

To state San Diego Housing Commission policy on protecting San Diego Housing Commission loan and grant investments related to delinquencies, defaults, foreclosure proceedings and Short Sales or other related action.

### 3 Policy

- 1.1 San Diego Housing Commission (Commission) loans and revocable grants shall be secured by a Deed of Trust and evidenced by a Promissory Note or Revocable Grant Agreement. Such Deeds of Trust may be subordinate to senior liens.
- 1.2 The Chief Executive Officer of the San Diego Housing Commission (CEO) or designee shall monitor all loan and revocable grant terms, conditions and agreements for compliance with rent restrictions, program funding requirements, occupancy monitoring and for other mandated criteria. If loans or revocable grants are not in compliance, they are in a technical default and the CEO is authorized to initiate foreclosure proceedings against the property in accordance with the laws governing such transactions.
- 1.3 The CEO is authorized to aggressively pursue collection of any loans which become delinquent. A loan shall be considered delinquent when a payment is thirty (30) days overdue. If delinquent loans are not brought current, the CEO is authorized to initiate foreclosure proceedings against the property in accordance with the laws governing such transactions. If such default is not cured within the statutory time period, the CEO shall schedule a Trustee's Sale. If the anticipated loss is less than \$ 100,000, the Trustee's Sale shall proceed; if the anticipated loss exceeds \$ 100,000, the CEO shall proceed with the Trustee's Sale only after Board approval. A public auction shall be held with an opening bid established by the Commission after consultation with General Counsel. The opening bid may be at a discounted amount if it is deemed in the best interest of the Commission. The property will be sold to the highest bidder. If there are no bids, ownership of the property passes to the Commission.
- 1.4 The CEO, upon the advice of General Counsel, is authorized to institute judicial



## POLICY

**EFFECTIVE DATE:** 7/20/87 **NO:** PO-RED-325.01  
**REVISION HISTORY:** 8/1/89; 1/18/90; 1/15/93; 3/22/94; 11/14/94;  
5/25/99; 6/18/10  
**SUBJECT:** **HOUSING COMMISSION LOAN DEFAULTS, FORECLOSURES,  
AND SHORT SALES**

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foreclosure proceedings against a borrower when time constraints preclude consideration by the Board of Commissioners of the San Diego Housing Commission (Board of Commissioners). In such cases, the General Counsel shall report his actions to the Board of Commissioners, in closed session, at its next scheduled Meeting.

In addition, the CEO upon the advice of General Counsel is authorized to take such other legal actions as are necessary in the opinion of General Counsel to protect the interests of the Commission. General Counsel shall report any such actions in closed session at the Board of Commissioners next scheduled meeting.

- 1.5 If a senior lienholder files a Notice of Default on a property with a subordinate Commission loan revocable grant, the CEO is authorized to reinstate senior liens up to \$ 100,000 to forestall a foreclosure action by the senior lienholder. The CEO shall only take such action when it is determined to be in the Commission's best interest. In such cases, the Commission shall subsequently record a Notice of Default against the property on its behalf, and pursue the process as described in 2.3. If the CEO determines it is in the Commission's best interest to let the senior lienholder's foreclosure proceed, the CEO shall then determine whether the Commission should bid at the Trustee's Sale to protect the Commission's investment (this may include bidding an amount less than the full amount needed to recover all loan or revocable grant funds and expenses) or let the Trustee's Sale proceed without Housing Commission participation.

The CEO is authorized to bid up to \$ 100,000, plus the amount of the Commission's subordinate loans or revocable grants, at Trustee's Sales without Board of Commissioners authorization. Trustee's Sale bids by the CEO in excess of \$100,000 (excluding the Commission's subordinate financing), shall be authorized by the Board of Commissioners in advance, unless such approval is precluded by time constraints, in which case the CEO may proceed upon written authorization of the Chairperson or Vice Chairperson of the Board of Commissioners.

If the CEO believes it is in the best interest of the Commission for the Trustee's Sale to proceed without Commission participation, the CEO is authorized to take such action if the anticipated loss is less than \$ 100,000. If the anticipated loss exceeds \$100,000, the



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**EFFECTIVE DATE:** 7/20/87 **NO:** PO-RED-325.01  
**REVISION HISTORY:** 8/1/89; 1/18/90; 1/15/93; 3/22/94; 11/14/94;  
5/25/99; 6/18/10  
**SUBJECT:** HOUSING COMMISSION LOAN DEFAULTS, FORECLOSURES,  
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Board of Commissioners must authorize such action prior to the scheduled Trustee's Sale. If time constraints preclude approval by the Board of Commissioners, the CEO may take such action upon written authorization of the Chairperson or Vice Chairperson of the Board of Commissioners.

1.6 When a property is acquired as authorized above, the CEO shall consider the guidelines in Attachment 1 and determine if it is advisable to retain the property in Commission ownership as an affordable housing resource, or to transfer ownership with restrictions that would achieve an affordable housing objective, or if neither action is advisable. In the event that it is determined not to retain ownership of the single family dwelling or condominium unit as an affordable housing resource, the CEO is authorized to implement the procedures as described in the Housing Commission Real Estate Disposition Policy No 300.104. In the event that the property acquired is a multifamily project, then any decision to sell the property shall be made by the Housing Authority of the City of San Diego upon advice by the Board of Commissioners.

2.7 If a senior lienholder files a Notice of Default on a mobile home with a subordinate Commission loan, or a mobile home park owner gives the owner a Three (3) Day Notice to Perform Covenants or Quit and Sixty (60) Day Notice to Terminate Possession of a mobile home with a Commission loan, the CEO shall analyze the potential loss to the Commission and determine whether to bid or not to bid at the senior lienholder's Trustee's Sale or the mobile home park owner's auction. The CEO's decision to bid or not to bid shall be based upon the feasibility of recouping the Commission's loss through resale of the mobile home being sold.

In the event of the death of the owner or an unforeseen circumstance that jeopardizes the Commission loan, the CEO may, based on the value of the mobile home and circumstances, discount the Commission loan or forgive the loan in its entirety.

2.8 The CEO shall monitor (on a limited basis) all Unsecured Loans, No-Interest Deferred Loans (previously single family emergency grants), Conditional Grants and Revocable Grants. In the event of the death of the owner or an unforeseen circumstance that



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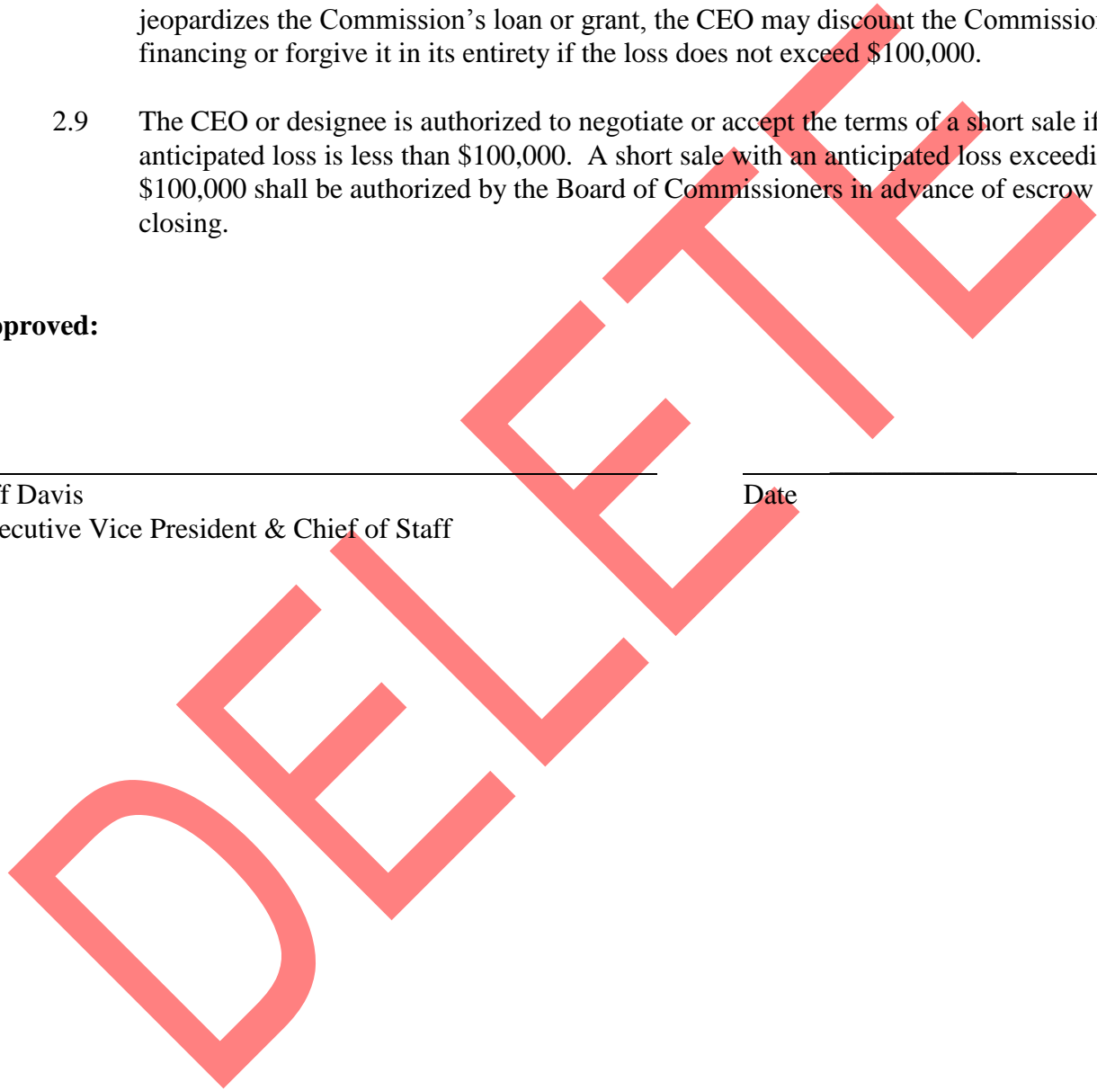
jeopardizes the Commission's loan or grant, the CEO may discount the Commission's financing or forgive it in its entirety if the loss does not exceed \$100,000.

- 2.9 The CEO or designee is authorized to negotiate or accept the terms of a short sale if the anticipated loss is less than \$100,000. A short sale with an anticipated loss exceeding \$100,000 shall be authorized by the Board of Commissioners in advance of escrow closing.

**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date



## ATTACHMENT

### FORECLOSURE SALE GUIDELINES

Before offering a single family dwelling or condominium unit acquired through foreclosure for sale, the CEO shall determine if it is advisable to add the property to the Commission's housing stock, maintaining it as an affordable housing resource using the following guidelines.

#### NEIGHBORHOOD

The area immediately surrounding the structure(s) shall provide residents access to recreation, schools, shopping, public transportation, etc. Areas with adverse physical or social environmental factors should be avoided unless part of a coordinated effort to revitalize an area.

#### ADEQUACY

The units should be of appropriate size and design to adequately house low income residents. Units shall generally be in decent, safe and sanitary condition and shall not require a substantial investment of Commission funds to bring to public housing occupancy standards.

#### COST EFFECTIVE

Assumption of mortgage payments and other costs of retaining a property shall be a prudent investment of public funds.

DELETED



# POLICY

EFFECTIVE DATE: TBD

NO: PO-RED-300.104

SUBJECT: Policy for Sale and/or Disposition of Real Estate ~~HOUSING-COMMISSION SINGLE FAMILY AND/OR CONDOMINIUM UNIT- REAL ESTATE DISPOSITION POLICY~~

1 Purpose

To provide a comprehensive policy of the San Diego Housing Commission (“Housing Commission”) concerning the disposition and sale of Housing Commission-owned real estate, including without limitation multi-family projects, single family homes, and/or condominium units, land by the President/Chief Executive Office of the San Diego Housing Commission and/or public housing.

2 Definitions-

Terms or words used within this policy are defined within the policy, itself or by reference to other applicable references in which the words and or terms are defined. The word “disposition” includes all forms of transfer of real estate, including by grant deed, quitclaim deed, warranty deed, ground lease, sublease, assignments, transfers, and any and all other legally permissible methods of transferring real estate and/or interests in real estate to another person and or entity.

3 Policy

3.1 Implementation of Sale or Disposition of Housing Commission-owned single family homes and/or condominium units:

3.1.1 In order to allow for expeditious sale and disposition of single family homes and/or condominium units, without approval by the Board of Commissioners of the ~~San Diego~~ Housing Commission (“Board of Commissioners”) or the Housing Authority of the City of San Diego (“Housing Authority”), the Housing Authority and the City Council of the City of San Diego hereby delegates to the President and Chief Executive Officer of the ~~San Diego~~ Housing Commission (“CEO”), or designee, the power to sell and dispose of single family homes and/or condominium units without further approval by either the Housing Authority or the Board of Commissioners in the following instances:

- ~~(a)~~ When the sale and/or disposition of the single family homes or condominium units are determined by the CEO to be necessary to comply with any program in an effort to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities, i.e. programs like





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~~the former Neighborhood Stabilization Program (NSP) that are hereafter created by state, federal and/or local law, and the sale is to a low income or moderate income buyer in accordance with the terms of the Housing Authority approved NSP; and,~~

- (b) When single family homes or condominium units have been acquired by foreclosure (Real Estate Owned, "REO") and have been determined to be surplus, within the meaning of Health and Safety Code Section 34315.7, and not needed by the San Diego Housing Commission (Commission) for its housing stock; or
- (c) When it is determined by the President & Chief Executive Officer that the sale meets the requirements of Health & Safety Code Section 34312.et. seq. including without limitation Section 34312.3; including scheduling a public hearing at the Housing Commission Board level, when required by any applicable law, including without limitation, Health & Safety Code Section 34312.3; or,
- (d) When single family homes or condominium units have been acquired by foreclosure or through a deed in lieu of foreclosure on an affordable for-sale restricted unit and the homes or units are sold to an eligible buyer subject to affordable restrictions recorded against the property; or
- (e) Or in any other situation where the sale of the family homes or condominiums is determined by the CEO upon the advice of counsel to comply applicable federal, state and local law and the sale of the family homes or condominiums advances the mission of the Commission.

3.2 Conditions for Sale or Disposition by the CEO or designee of Single Family Homes/Condominium Units:

- i. All sales of condominium units or single family homes acquired by the Housing Commission or the Housing Authority, under the Neighborhood



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~~Stabilization P Program or other similar programs~~any government stimulus program, for sale to subsequent low or moderate income buyers must be sold within the parameters of ~~the an~~ Housing Authority approved ~~program-program~~NSP. The CEO is given and delegated the full authority and power to make expenditures within his or her procurement authority, as referenced within the Housing Authority approved procurement policy, to repair and rehabilitate such homes and/or condominiums, if determined necessary or advisable by the CEO, before such resale, or, in the alternative, to sell such homes or condominiums in an “as-is where-is” condition without repair or rehabilitation. In such cases of no repair or rehabilitation, the CEO is delegated the authority and power to make rehabilitation loans to the ~~homebuyers to make repairs or remediation within his or her authority levels, for~~homebuyer in sufficient amounts to allow the homebuyer to repair and rehabilitate the homes or condominiums, so that the homes and/or condominiums are safe, decent and sanitary.

~~repair by the homeowners after acquisition.~~

- ii. All sales of condominium units or single family homes acquired as REOs, under the terms of the Housing Commission’s foreclosure policy or otherwise, shall also be sold and disposed of by the CEO in accordance with applicable state, federal and local law, ~~the procedures set forth within Health and Safety Code Section 34315.7,~~ with preference being given to low and moderate income families and/or households, to the extent feasible and to the extent required by applicable law.

All sales of affordable for-sale restricted condominium units or single family homes acquired by foreclosure or



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deed in lieu of foreclosure shall be sold by the CEO in accordance with the terms of any applicable restrictions recorded against the property.

~~ii.iii.~~

~~ii.iv. All sales and dispositions shall be accomplished in a manner that shall provide for low and moderate income ownership opportunities to the qualified persons, households and families, to the greatest extent possible. With the exception of the affordable for sale restricted units, all sales and dispositions shall be at prices no lower than the purchase price paid by the Housing Commission and/or the Housing Authority, except to the extent that the fair market value of the property acquired, as determined by an appraisal at the time of sale, has decreased from said purchase price(s), in which case the sales or dispositions may be made at the appraised value at the time of sale. All sales involving any stimulus program shall be made in accordance with all laws, rules and regulations affecting the program. To the extent that any proposed sale or disposition does not meet all of the requirements set forth within this policy, it must be forwarded to the Housing Commission Board for approval prior to the consummation of the proposed sale or disposition. In the event that the price difference between purchase price and sale prices is greater than \$250,000, disposition approval must be forwarded to the Housing Authority for approval.~~

~~iii.v.~~

Any action taken by the CEO to sell or dispose of any single family home/condominium unit, with the exception of the affordable for-sale restricted units, shall be preceded by a seven (7) day written notice to each of the Members of the Board of Commissioners and a hand-delivered written notice to each of the Members of the Housing Authority with a signed and



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dated receipt of delivery. Within seven (7) days of the receipt of such written notice, any one (1) Member of the Board of Commissioners or any one (1) Member of the Housing Authority may elect to have the entire Board of Commissioners, or the entire Housing Authority, respectively, review a proposed sale or disposition. Such review shall be pursuant to the provisions of San Diego Municipal Code ~~Section 98.0301(e)~~, in the case of the review by the Housing Authority of the City of San Diego. If any Member of the Housing Authority or the Board of Commissioners elects to hear the matter, the sale or disposition shall not proceed until such hearing occurs before the full Board of the body seeking the review. In the event that the Board of Commissioners elects to hear a matter, the Board of Commissioners shall give seven (7) days written notice of its action to each Member of the Housing Authority, via hand-delivered written notice with signed and dated receipt of delivery, and any action of the Board of Commissioners shall not become final until seven (7) days have elapsed from the written notice to the Housing Authority Members, without any Member of the Housing Authority seeking review of the decision. If a review is sought of a decision of the Board of Commissioners, by any Member of the Housing Authority, any action of the Board of Commissioners shall not be final until it is reviewed by the Members of the Housing Authority. Whenever, a public hearing is required under applicable law, including without limitation, Health & Safety Code Section 34312.3, the CEO shall ensure that such hearing is scheduled before the Housing Commission Board.

~~iv.vi. Affordable for sale restricted units can only be sold to eligible low and moderate income buyers pursuant to~~



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~~the affordable restrictions recorded against the property;~~

~~v.vii.~~ Any action by the CEO to sell or dispose of any single family home or condominium unit shall not become final until seven (7) days have elapsed, with no election by any Member of either the Board of Commissioners or the Members of the Housing Authority to hear the matters(s).

~~vi.viii.~~ The CEO is delegated the power and authority to acquire and/or provide such lending as is required to allow the property to be disposed of and/or sold.

~~vii.ix.~~ The CEO shall comply with any and all relocation laws, if any, to the extent applicable, in connection with a sale or disposition of the single family homes and/or condominium units.

x. The CEO shall, as necessary or appropriate, acquire real estate appraisals of the single family homes or condominium units, before sale or disposition, ~~but only to the extent necessary to comply with any applicable laws or regulations concerning the sale or disposition of single family homes and/or units in accordance with the approved stimulus programs~~ and in compliance with the provisions of applicable law including without limitation Health and Safety Code Section 34315.7 and/or Health & Safety Code Sections 34312.3, if and as applicable.

3.3 Implementation of Sale or Disposition of Housing Commission-owned ~~multifamily housing~~ real estate other than single family homes and condominiums (real estate):

(a) This policy allows for the sale and disposition of all other real



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estate, of every nature and kind, [except for the single family homes and condominiums, which are dealt with in Section 3.2 of this policy], owned by the Housing Commission, including without limitation, ~~owned~~ multifamily housing and undeveloped land ( which is defined as “*real estate*” for the purposes of this Section 3.3), with approval by the Board of Commissioners of the Housing Commission (“Board of Commissioners”) or the Housing Authority of the City of San Diego (“Housing Authority”), under the following ~~instances~~ conditions:

1. Any action taken by the CEO to sell or dispose of any *real estate*, shall be preceded by a seven (7) day written notice to each of the Members of the Board of Commissioners and a hand-delivered written notice to each of the Members of the Housing Authority with a signed and dated receipt of delivery. Whenever, a public hearing is required under applicable law, including without limitation, Health & Safety Code Section 34312.3, the CEO shall ensure that such hearing is scheduled before the Housing Commission Board. Within seven (7) days of the receipt of such written notice, any one (1) Member of the Board of Commissioners or any one (1) Member of the Housing Authority may elect to have the entire Board of Commissioners, or the entire Housing Authority, respectively, review a proposed sale or disposition. Such review shall be pursuant to the provisions of San Diego Municipal Code in the case of the review by the Housing Authority of the City of San Diego. If any Member of the Housing Authority or the Board of Commissioners elects to hear the matter, the sale or disposition shall not proceed until such hearing occurs before the full Board of the body



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seeking the review. In the event that the Board of Commissioners elects to hear a matter, the Board of Commissioners shall give seven (7) days written notice of its action to each Member of the Housing Authority, via hand-delivered written notice with signed and dated receipt of delivery, and any action of the Board of Commissioners shall not become final until seven (7) days have elapsed from the written notice to the Housing Authority Members, without any Member of the Housing Authority seeking review of the decision. If a review is sought of a decision of the Board of Commissioners, by any Member of the Housing Authority, any action of the Board of Commissioners shall not be final until it is reviewed by the Members of the Housing Authority.

2. When the sale and/or disposition of the ~~multifamily housing units are~~ real estate is determined by the CEO to be necessary and the best option for redevelopment of properties that might otherwise become sources of abandonment and blight within their communities, or

3. When ~~multifamily housing developments~~ real estate has ~~have~~ been acquired by the Commission through foreclosure or through a deed in lieu of foreclosure and have been determined to be surplus, within the meaning of Health and Safety Code Section 34315.7, and not needed by the Housing Commission for its housing stock; or,



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4. When the President and CEO determines that greater public purpose can be achieved through the sale of underperforming ~~assets~~ real estate and the investment of sales proceeds into better performing assets and/or other affordable housing opportunities in the best interest of the public, the Housing Commission, and the City of San Diego.

(b) Additional Conditions for the Sale or Disposition of Housing Commission-owned *real estate*:

1

1. The CEO is authorized to review, approve and execute any and all documents and to perform such acts as are necessary and/or appropriate and/or convenient to effectuate the sales and dispositions referenced in this policy.
2. The CEO is authorized to contract directly with brokers and/or cooperate with brokers to effectuate the sales and dispositions and to pay commissions as appropriate.

~~1.1 All sales and dispositions shall be accomplished in a manner that shall provide for low and moderate income ownership opportunities to the qualified persons, households and families, to the greatest extent possible. All sales and dispositions shall be at prices no lower than the purchase price paid by the Commission and/or the Housing Authority, except to the extent that the fair market value of the property acquired, as determined by an appraisal at the time of sale, has decreased from said purchase price(s), in which case the sales or dispositions may be made at the appraised value at the time of sale. All sales involving the NSP shall be made in accordance with all laws, rules and regulations affecting the NSP. To the extent that any proposed sale or disposition does not meet all~~





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~~of the requirements set forth within this policy, it must be forwarded to the Housing Authority for approval prior to the consummation of the proposed sale or disposition.~~

~~Any action taken by the CEO to sell or dispose of any single family home/condominium unit, with the exception of the affordable for sale restricted units, shall be preceded by a seven (7) day written notice to each of the Members of the Board of Commissioners and a hand-delivered written notice to each of the Members of the Housing Authority with a signed and dated receipt of delivery. Within seven (7) days of the receipt of such written notice, any one (1) Member of the Board of Commissioners or any one (1) Member of the Housing Authority may elect to have the entire Board of Commissioners, or the entire Housing Authority, respectively, review a proposed sale or disposition. Such review shall be pursuant to the provisions of San Diego Municipal Code Section 98.0301(e), in the case of the review by the Housing Authority of the City of San Diego. If any Member of the Housing Authority or the Board of Commissioners elects to hear the matter, the sale or disposition shall not proceed until such hearing occurs before the full Board of the body seeking the review. In the event that the Board of Commissioners elects to hear a matter, the Board of Commissioners shall give seven (7) days written notice of its action to each Member of the Housing Authority, via hand-delivered written notice with signed and dated receipt of delivery, and any action of the Board of~~



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~~Commissioners shall not become final until seven (7) days have elapsed from the written notice to the Housing Authority Members, without any Member of the Housing Authority seeking review of the decision. If a review is sought of a decision of the Board of Commissioners, by any Member of the Housing Authority, any action of the Board of Commissioners shall not be final until it is reviewed by the Members of the Housing Authority.~~

~~Affordable for sale restricted units can only be sold to eligible low and moderate income buyers pursuant to the affordable restrictions recorded against the property; therefore no additional review of the terms of the sale is required.~~

~~Any action by the CEO to sell or dispose of any single family home or condominium unit shall not become final until seven (7) days have elapsed, with no election by any Member of either the Board of Commissioners or the Members of the Housing Authority to hear the matters(s).~~

~~The CEO is delegated the power and authority to acquire and/or provide such lending as is required to allow the property to be disposed of and/or sold.~~

~~The CEO shall comply with any and all relocation laws, if any, to the extent applicable, in connection with a sale or disposition of the single family homes~~



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~~and/or condominium units.~~

~~The CEO shall report to the Board of Commissioners and the Housing Authority, quarterly, concerning all sales and dispositions pursuant to this policy.~~

The CEO shall adopt Administrative Regulations to implement this policy as necessary and appropriate.

1.2 4 The CEO shall, ~~as necessary or appropriate,~~ acquire real estate appraisals of the real estate ~~single family homes or condominium units,~~ before sale or disposition, to ensure the Commission receives the fair market value of the property, ~~but only to the extent necessary to comply with any applicable laws or regulations concerning the sale or disposition of single family homes and/or units in accordance with the approved NSP Program and/or Health and Safety Code Section 34315.7.~~

3.4 This policy is adopted pursuant to the provisions of Health and Safety Code Section 34320 affecting the disposition of ~~real property~~ real estate.

### 3.5 T

~~This~~ delegation by the City Council of the City of San Diego is made pursuant to the provision of San Diego Municipal Code ~~Section 98.0301(d).~~

### ~~3.6~~ 3.6

### 3.7

~~3.8~~ All sales and dispositions shall comply with any and all federal, state, local and Housing Commission conflict of interest provisions and shall preclude the sale of property to any person or entity that would have a conflict of interest under any applicable law. No sales shall be made to insiders at preferential rates and each sale shall be an ~~arms-length~~ arm's length bona fide transaction.

### 3.6

3.7 This policy does not authorize the sale or disposition of any multifamily federal



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public housing projects, as defined in the 1937 Act, without the approvals referenced within this Section 3.7. Under certain exceptional and extenuating circumstances, where the Commission deems it necessary to enhance its financial ability to increase low-income housing opportunities, the Commission may consider the sale of public housing units if such a sale is determined to be in the best overall interest of the Commission and of ~~very low and~~ low-income households in need of affordable housing opportunities, but only to the extent such sale or disposition complies with any applicable laws or regulations concerning the sale or disposition of public housing as referenced within applicable federal law, including without limitation 24 CFR Part 970 and other applicable sections. In addition to the approval of the U.S. Department of Housing and Urban Development, any sale of public housing shall also require the approval of the President & Chief Executive Officer, the Housing Commission Board and the Housing Authority of the City of San Diego. Accordingly, the approval by the Housing Authority of the City of San Diego is required for the sale of any federal public housing projects.

3.8 Under the terms of this policy, the Commission may dispose (including, but not limited to sell, transfer, convey or lease) of real estate owned by it to any of its affiliates, including Housing Developer Partners, or to wholly owned Limited Liability Companies formed by the Commission. [collectively “Affiliates”] for any and all business reasons, provided that the dispositions provide the Commission with full and adequate consideration, including covenants by the Affiliate or LLCs to construct, rehabilitate, renovate and operate affordable housing for households earning 80 percent or less of area median income, for a term of years. In addition, the Commission may ground lease the real estate to the Affiliate or LLC, for a period of years, with a reversion of the fee title to the Commission at such time as the parties may agree. In addition, the Commission may otherwise dispose of real estate by grant deed or other conveyance method, provided that the Commission receives an option to reacquire the real estate, at time agreed to by the parties. The terms of the option shall be drafted in such a way that the Commission’s interest to reacquire the property during the option period is preserved, and shall minimize any substantially adverse financial burden to the Commission, to the extent possible. Any transaction between the Commission and an Affiliate shall be entered into only after appropriate analysis by attorneys, bond counsel, financial advisors and others necessary to ensure that the interests of the Commission are fully protected and to ensure that the real estate disposed of provides affordable housing for the contracted term. This policy is promulgated under the provisions of Health and Safety Code Section 34320 and



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shall be interpreted in view of that code section, which provides, in part:

3.8.1 It is the intent of this policy to set a procedure for disposition or sale of Commission real estate to an Affiliate in full compliance with the following provisions of said Section 34320, which provides: **No law concerning the acquisition, operation, or disposition of property by other public bodies is applicable to an authority unless the Legislature specifically so states.**

3.8.2 The Housing Authority of the City of San Diego [Housing Authority] and the City of San Diego find that this entire policy and specifically, Section 3.8 complies any and all applicable laws.

3.8.3 Any disposition of *real estate* to Housing Development Partners under the provisions of this Section 3.8 may be made by the Executive Vice President and Chief of Staff of the Housing Commission, or designee, after approval by the processes in place at the time, provided however, the approval by the Housing Authority shall not be required unless one or more members of the Housing Authority seek to review such actions by the Commission within seven (7) days of notice of such proposed action.

3.8.4 Any disposition of any *real estate* to an Affiliate other than Housing Development Partners, pursuant to the provisions of this Section 3.8, may be made by the President and Chief Executive Officer, or designee, following the same procedures set forth in Section 3.8.3, above, ~~without the approval of the Housing Authority of the city of San Diego, as required by San Diego Municipal Code Section 98.0301.~~

Approved:

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

**History:**  
10/13/1988



SAN DIEGO  
HOUSING  
COMMISSION

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4/20/10



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## 1 Purpose

To provide a comprehensive policy of the San Diego Housing Commission (“Housing Commission”) concerning the disposition and sale of Housing Commission-owned real estate, including without limitation multi-family projects, single family homes, condominium units, land and/or public housing.

## 2 Definitions

Terms or words used within this policy are defined within the policy, itself or by reference to other applicable references in which the words and or terms are defined. The word “disposition” includes all forms of transfer of real estate, including by grant deed, quitclaim deed, warranty deed, ground lease, sublease, assignments, transfers, and any and all other legally permissible methods of transferring real estate and/or interests in real estate to another person and or entity.

## 3 Policy

### 3.1 Implementation of Sale or Disposition of Housing Commission-owned single family homes and/or condominium units:

3.1.1 In order to allow for expeditious sale and disposition of single family homes and/or condominium units, without approval by the Board of Commissioners of the Housing Commission (“Board of Commissioners”) or the Housing Authority of the City of San Diego (“Housing Authority”), the Housing Authority and the City Council of the City of San Diego hereby delegates to the President and Chief Executive Officer of the Housing Commission (“CEO”), or designee, the power to sell and dispose of single family homes and/or condominium units without further approval by either the Housing Authority or the Board of Commissioners in the following instances:

- (a) When the sale and/or disposition of the single family homes or condominium units are determined by the CEO to be necessary to comply with any program in an effort to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities, i.e. programs like the former Neighborhood Stabilization Program (NSP) that are hereafter created by state, federal and/or local law, and the sale is to a



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low income or moderate income buyer; or,

- (b) When single family homes or condominium units have been acquired by foreclosure (Real Estate Owned, “REO”) and have been determined to be surplus, within the meaning of Health and Safety Code Section 34315.7, and not needed by the Housing Commission for its housing stock; or
- (c) When it is determined by the President & Chief Executive Officer that the sale meets the requirements of Health & Safety Code Section 34312, et. seq. including without limitation Section 34312.3 including scheduling a public hearing at the Housing Commission Board level, when required by any applicable law, including without limitation, Health & Safety Code Section 34312.3; or,
- (d) When single family homes or condominium units have been acquired by foreclosure or through a deed in lieu of foreclosure on an affordable for-sale restricted unit and the homes or units are sold to an eligible buyer subject to affordable restrictions recorded against the property; or
- (e) Or in any other situation where the sale of the family homes or condominiums is determined by the CEO upon the advice of counsel to comply applicable federal, state and local law and the sale of the family homes or condominiums advances the mission of the Commission.

3.2 Conditions for Sale or Disposition by the CEO or designee of Single Family Homes/Condominium Units:

i. All sales of condominium units or single family homes acquired by the Housing Commission or the Housing Authority, under any government stimulus program, for sale to subsequent low or moderate income buyers must be sold within the parameters of an Housing Authority approved program. The CEO is given and delegated the full authority and power to make expenditures within his or her procurement authority, as referenced within the Housing Authority





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approved procurement policy, to repair and rehabilitate such homes and/or condominiums, if determined necessary or advisable by the CEO, before such resale, or, in the alternative, to sell such homes or condominiums in an “as-is where-is” condition without repair or rehabilitation. In such cases of no repair or rehabilitation, the CEO is delegated the authority and power to make rehabilitation loans to the homebuyer in sufficient amounts to allow the homebuyer to repair and rehabilitate the homes or condominiums, so that the homes and/or condominiums are safe, decent and sanitary.

- ii. All sales of condominium units or single family homes acquired as REOs, under the terms of the Housing Commission’s foreclosure policy or otherwise, shall also be sold and disposed of by the CEO in accordance with applicable state, federal and local law, with preference being given to low and moderate income families and/or households, to the extent feasible and to the extent required by applicable law.
- iii. All sales of affordable for-sale restricted condominium units or single family homes acquired by foreclosure or deed in lieu of foreclosure shall be sold by the CEO in accordance with the terms of any applicable restrictions recorded against the property.
- iv. Any action taken by the CEO to sell or dispose of any single family home/condominium unit, with the exception of the affordable for-sale restricted units, shall be preceded by a seven (7) day written notice to each of the Members of the Board of Commissioners and a hand-delivered written notice to each of the Members of the Housing Authority with a signed and dated receipt of delivery. Within seven (7) days of the receipt of such written notice, any one (1) Member of the Board of Commissioners or any one (1) Member of



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the Housing Authority may elect to have the entire Board of Commissioners, or the entire Housing Authority, respectively, review a proposed sale or disposition. Such review shall be pursuant to the provisions of San Diego Municipal Code in the case of the review by the Housing Authority of the City of San Diego. If any Member of the Housing Authority or the Board of Commissioners elects to hear the matter, the sale or disposition shall not proceed until such hearing occurs before the full Board of the body seeking the review. In the event that the Board of Commissioners elects to hear a matter, the Board of Commissioners shall give seven (7) days written notice of its action to each Member of the Housing Authority, via hand-delivered written notice with signed and dated receipt of delivery, and any action of the Board of Commissioners shall not become final until seven (7) days have elapsed from the written notice to the Housing Authority Members, without any Member of the Housing Authority seeking review of the decision. If a review is sought of a decision of the Board of Commissioners, by any Member of the Housing Authority, any action of the Board of Commissioners shall not be final until it is reviewed by the Members of the Housing Authority.

- v. Any action by the CEO to sell or dispose of any single family home or condominium unit shall not become final until seven (7) days have elapsed, with no election by any Member of either the Board of Commissioners or the Members of the Housing Authority to hear the matters(s). Whenever, a public hearing is required under applicable law, including without limitation, Health & Safety Code Section 34312.3, the CEO shall ensure that such hearing is scheduled before the Housing Commission Board.
- vi. The CEO is delegated the power and authority to



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acquire and/or provide such lending as is required to allow the property to be disposed of and/or sold.

vii. The CEO shall comply with any and all relocation laws, if any, to the extent applicable, in connection with a sale or disposition of the single family homes and/or condominium units.

viii. The CEO shall acquire real estate appraisals of the single family homes or condominium units, before sale or disposition and in compliance with the provisions of applicable law including without limitation Health and Safety Code Section 34315.7 and/or Health & Safety Code Sections 34312.3, if and as applicable.

3.3 Implementation of Sale or Disposition of Housing Commission-owned real estate other than single family homes and condominiums (*real estate*):

(a) This policy allows for the sale and disposition of all other real estate, of every nature and kind, [except for the single family homes and condominiums, which are dealt with in Section 3.2 of this policy], owned by the Housing Commission, including without limitation, multifamily housing and undeveloped land (which is defined as "*real estate*" for the purposes of this Section 3.3), with approval by the Board of Commissioners of the Housing Commission ("Board of Commissioners") or the Housing Authority of the City of San Diego ("Housing Authority"), under the following conditions:

1. Any action taken by the CEO to sell or dispose of any *real estate*, shall be preceded by a seven (7) day written notice to each of the Members of the Board of Commissioners and a hand-delivered written notice to each of the Members of the Housing Authority with a signed and dated receipt of delivery. Whenever, a public hearing is required under applicable law, including without limitation, Health & Safety



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Code Section 34312.3, the CEO shall ensure that such hearing is scheduled before the Housing Commission Board. Within seven (7) days of the receipt of such written notice, any one (1) Member of the Board of Commissioners or any one (1) Member of the Housing Authority may elect to have the entire Board of Commissioners, or the entire Housing Authority, respectively, review a proposed sale or disposition. Such review shall be pursuant to the provisions of San Diego Municipal Code in the case of the review by the Housing Authority of the City of San Diego. If any Member of the Housing Authority or the Board of Commissioners elects to hear the matter, the sale or disposition shall not proceed until such hearing occurs before the full Board of the body seeking the review. In the event that the Board of Commissioners elects to hear a matter, the Board of Commissioners shall give seven (7) days written notice of its action to each Member of the Housing Authority, via hand-delivered written notice with signed and dated receipt of delivery, and any action of the Board of Commissioners shall not become final until seven (7) days have elapsed from the written notice to the Housing Authority Members, without any Member of the Housing Authority seeking review of the decision. If a review is sought of a decision of the Board of Commissioners, by any Member of the Housing Authority, any action of the Board of Commissioners shall not be final until it is reviewed by the Members of the Housing Authority.

2. When the sale and/or disposition of the *real estate* is determined by the CEO to be necessary



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and the best option for redevelopment of properties that might otherwise become sources of abandonment and blight within their communities, or

3. When *real estate* has been acquired by the Commission through foreclosure or through a deed in lieu of foreclosure and have been determined to be surplus, within the meaning of Health and Safety Code Section 34315.7, and not needed by the Housing Commission for its housing stock; or,
4. When the President and CEO determines that greater public purpose can be achieved through the sale of underperforming *real estate* and the investment of sales proceeds into better performing assets and/or other affordable housing opportunities in the best interest of the public, the Housing Commission, and the City of San Diego.

(b) Additional Conditions for the Sale or Disposition of Housing Commission-owned *real estate*:

1. The CEO is authorized to review, approve and execute any and all documents and to perform such acts as are necessary and/or appropriate and/or convenient to effectuate the sales and dispositions referenced in this policy.
2. The CEO is authorized to contract directly with brokers and/or cooperate with brokers to effectuate the sales and dispositions and to pay commissions as appropriate.



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3. The CEO shall adopt Administrative Regulations to implement this policy as necessary and appropriate.
  4. The CEO shall acquire real estate appraisals of the *real estate*, before sale or disposition, to ensure the Commission receives the fair market value of the property.
- 3.4 This policy is adopted pursuant to the provisions of Health and Safety Code Section 34320 affecting the disposition of *real estate*.
- 3.5 This delegation by the City Council of the City of San Diego is made pursuant to the provision of San Diego Municipal Code.
- 3.6 All sales and dispositions shall comply with any and all federal, state, local and Housing Commission conflict of interest provisions and shall preclude the sale of property to any person or entity that would have a conflict of interest under any applicable law. No sales shall be made to insiders at preferential rates and each sale shall be an arm's length bona fide transaction.
- 3.7 This policy does not authorize the sale or disposition of any multifamily federal public housing projects, as defined in the 1937 Act, without the approvals referenced within this Section 3.7. Under certain exceptional and extenuating circumstances, where the Commission deems it necessary to enhance its financial ability to increase v low-income housing opportunities, the Commission may consider the sale of public housing units if such a sale is determined to be in the best overall interest of the Commission and of low-income households in need of affordable housing opportunities, but only to the extent such sale or disposition complies with any applicable laws or regulations concerning the sale or disposition of public housing as referenced within applicable federal law, including without limitation 24 CFR Part 970 and other applicable sections. In addition to the approval of the U.S. Department of Housing and Urban Development, any sale of public housing shall also require the approval of the President & Chief Executive Officer, the Housing Commission Board and the Housing Authority of the City of San Diego. Accordingly, the approval by the Housing Authority of the City of San Diego is required for the sale of any federal public housing projects.



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3.8 Under the terms of this policy, the Commission may dispose (including, but not limited to sell, transfer, convey or lease) of real estate owned by it to any of its affiliates, including Housing Developer Partners, or to wholly owned Limited Liability Companies formed by the Commission, [collectively “Affiliates”] for any and all business reasons, provided that the dispositions provide the Commission with full and adequate consideration, including covenants by the Affiliate or LLCs to construct, rehabilitate, renovate and operate affordable housing for households earning 80 percent or less of area median income, for a term of years. In addition, the Commission may ground lease the real estate to the Affiliate or LLC, for a period of years, with a reversion of the fee title to the Commission at such time as the parties may agree. In addition, the Commission may otherwise dispose of real estate by grant deed or other conveyance method, provided that the Commission receives an option to reacquire the real estate, at time agreed to by the parties. The terms of the option shall be drafted in such a way that the Commission’s interest to reacquire the property during the option period is preserved, and shall minimize any substantially adverse financial burden to the Commission, to the extent possible. Any transaction between the Commission and an Affiliate shall be entered into only after appropriate analysis by attorneys, bond counsel, financial advisors and others necessary to ensure that the interests of the Commission are fully protected and to ensure that the real estate disposed of provides affordable housing for the contracted term. This policy is promulgated under the provisions of Health and Safety Code Section 34320 and shall be interpreted in view of that code section, which provides, in part:

- 3.8.1 It is the intent of this policy to set a procedure for disposition or sale of Commission real estate to an Affiliate in full compliance with the following provisions of said Section 34320, which provides; **No law concerning the acquisition, operation, or disposition of property by other public bodies is applicable to an authority unless the Legislature specifically so states.**
- 3.8.2 The Housing Authority of the City of San Diego [Housing Authority] and the City of San Diego find that this entire policy and specifically, Section 3.8 complies any and all applicable laws.
- 3.8.3 Any disposition of *real estate* to Housing Development Partners under the provisions of this Section 3.8 may be made by the Executive Vice President and Chief of Staff of the Housing Commission, or designee, after approval by the processes in place at the time, provided however, the



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approval by the Housing Authority shall not be required unless one or more members of the Housing Authority seek to review such actions by the Commission within seven (7) days of notice of such proposed action.

- 3.8.4 Any disposition of any *real estate* to an Affiliate other than Housing Development Partners, pursuant to the provisions of this Section 3.8, may be made by the President and Chief Executive Officer, or designee, following the same procedures set forth in Section 3.8.3, above.

**Approved:**

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Jeff Davis  
Executive Vice President & Chief of Staff

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Date

**History:**  
10/13/1988

**Revision Date:**  
4/20/10





# POLICY

EFFECTIVE DATE: TBD

NO: PO-RED-374.02

SUBJECT: ~~REAL ESTATE ACQUISITION~~ **POLICY FOR ACQUISITION AND/OR PURCHASE OF REAL ESTATE**

## 1 Purpose

To state San Diego Housing Commission (“Housing Commission”) ~~p~~**Policy** and program parameters for acquiring real estate of types, including, without limitation existing dwelling units/homes and/or multifamily rental projects for Housing Commission ownership.

## 2. Scope

To provide guidance and direction to Housing Commission staff for the acquisition of real estate ~~Property~~ for Housing Commission ownership. This Policy also provides a mechanism for the approval of such acquisitions.

## 3 Definitions

Terms utilized within this policy are either defined the first time that the term is utilized or there is a cross reference to other sources that provide those definitions.

## 4 Policy

### Implementation of Acquisition

~~1.1~~ — In order to allow the ~~San Diego~~ Housing Commission (~~Commission~~) to acquire, homes, condominium units and/or multifamily rental projects, unimproved land, and any and all other types and kinds of residential real property for Housing Commission ownership and operation, including units in ~~that are~~ foreclosure or that are in jeopardy of being foreclosed [collectively defined as “real estate” within this policy], with or without the use of real estate brokers, the Housing Authority of the City of San Diego (“Housing Authority”) delegates to the Housing Commission, the right, power and authority to purchase and acquire real estate as set forth within this policy. ~~units/homes and/or projects as set forth in this policy and the resolution approving this policy.~~

### 1.1

1.2 ~~2.2~~ — In addition to utilizing brokers and/or dealing directly with individual developers and owners, the Housing Commission is encouraged to deal directly with lenders, to the extent feasible, including, without limitation, FNMA and FHLMC, to purchase



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properties acquired by such lender(s) through foreclosure, or by deeds in lieu of foreclosure, and/or to acquire ~~properties real estate~~ which is the subject of a Notice of Default during the foreclosure procedure, but prior to actual foreclosure. In addition, the Housing Commission is encouraged and authorized to acquire ~~properties~~ real estate not at risk of foreclosure ~~deal directly with lenders, to the extent feasible, to meet the City's~~ Balanced Communities Policy ~~goal of acquiring and/or producing a minimum of an additional 350 units.~~

2.3 The Housing Commission is authorized to review, approve, and execute any and all documents necessary and/or appropriate to effectuate the acquisition(s) referenced in this policy.

2.4 The Housing Commission is authorized to contract directly with brokers and/or to cooperate with brokers to effectuate the acquisitions.

2.5 Any acquisitions of single family homes/~~condominium units~~ ~~may~~ [Single Family Residences] may be accomplished by the President and Chief Executive Officer of the ~~San Diego~~ Housing Commission ("CEO"), or designee, without further action from or by the Board of Commissioners of the ~~San Diego~~ Housing Commission (Board of Commissioners), provided that the acquisition(s) is/are based upon a purchase price(s) at or below an appraised value and provided further the clear fee simple title may be acquired by the Housing Commission at the close of escrow. The CEO is authorized to execute any and all documents necessary and/or appropriate to allow for the acquisition of the ~~single family homes and/or condominium units~~ Single Family Residences, as approved by the General Counsel of the Housing Commission.

2.52.6 The CEO is delegated the power and authority to approve due diligence efforts, up to the limits as set forth by the Housing Authority (currently \$250,000), in order to determine a property's value and suitability for acquisition. Due diligence efforts will include, but shall not be limited to, appraisal, physical needs assessment, lead paint and asbestos containing materials assessment, Phase I and Phase II environmental reports, geotechnical studies, and environmental review.

2.62.7 Acquisitions ~~of multifamily projects and multiple units~~ of real estate other than Single Family Residences shall be approved by the Board of Commissioners.



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SUBJECT: ~~REAL ESTATE ACQUISITION~~ **POLICY FOR ACQUISITION AND/OR PURCHASE OF REAL ESTATE**

~~2.72.8~~ Any action taken by the Board of Commissioners, as authorized in this policy, may be reviewed by the Housing Authority within seven (7) days of the date of any Housing Commission approval of an acquisition, by notice from any Housing Authority ~~member Commissioner~~ (City Councilmember) and/or the Executive Director of the Housing Authority, in accordance with the applicable provisions of San Diego Municipal Code ~~Section 98.0301(e)~~.

~~2.82.9~~ Any action of the Housing Commission concerning any acquisition shall become final if no request for review by the Housing Authority is received within such seven (7) days period, in accordance with the provisions of San Diego Municipal Code ~~Section 98.0301(e)~~.

~~2.92.10~~ The Housing Commission is delegated the power and authority to acquire loans, tax credits or other financing ~~lending~~ necessary and appropriate, if any, for any acquisition approved by it.

~~2.102.11~~ The property acquired shall be utilized by the Housing Commission, either as rental properties for low or moderate income housing, and/or the homes and/or units may be resold to qualified low and/or moderate income purchasers as permitted under applicable law. Any property to be resold shall be in safe, decent and sanitary condition.

~~2.112.12~~ No property may be acquired unless and until a certified appraisal of value has been obtained for each property to be acquired. The purchase price for the property to be acquired must be at or below the appraised value.

~~2.13~~ The Housing Commission shall comply with federal and/or state relocation law, as required in connection with any acquisition.

3—

~~3.5~~ ~~The Commission shall adopt Administrative Regulations to further implement this policy.~~

~~3.6~~ ~~In addition to acquiring units that have been foreclosed and/or are in jeopardy of being foreclosed, the Commission is delegated authority and power to and may acquire other~~



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~~units/homes and projects, to achieve the goal of acquiring and/or producing a minimum of 350 units required by HUD in its approval of the public housing disposition, without further action by the Housing Authority, but subject to review by the Housing Authority as referenced in Paragraph 7 of this policy. These acquisitions may be accomplished with or without brokers, through lenders and/or directly from private owners and developers, or any combination of the foregoing.~~

~~3.7 The Commission shall report to the Housing Authority and the City Council annually not less frequently than twice a year on the status of the acquisition(s) by written informational report(s).~~

2.14 The Housing Commission shall endeavor to balance the acquisitions of housing among neighborhoods so as to not overly concentrate low and moderate income residential dwelling units in any one geographic area. ~~of the areas of acquisition.~~

3.82.15 To the extent that any real estate being acquired is to be utilized for public housing, any all applicable federal law and regulations concerning public housing shall be addressed by the Housing Commission prior to the close of escrow for the acquisition. For the purposes of the subsection "addressed" means developing a workable and cost effective plan to meet the federal requirements.

Approved:

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

**History:**  
4/13/1979

**Revision Date:**  
2/12/2009



# POLICY

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## 1 Purpose

To state San Diego Housing Commission (“Housing Commission”) Policy and program parameters for acquiring real estate of types, including, without limitation existing dwelling units/homes and/or multifamily rental projects for Housing Commission ownership.

## 2. Scope

To provide guidance and direction to Housing Commission staff for the acquisition of real estate for Housing Commission ownership. This Policy also provides a mechanism for the approval of such acquisitions.

## 3 Definitions

Terms utilized within this policy are either defined the first time that the term is utilized or there is a cross reference to other sources that provide those definitions.

## 4 Policy

### Implementation of Acquisition

4.1 In order to allow the Housing Commission to acquire homes, condominium units and/or multifamily rental projects, unimproved land, and any and all other types and kinds of real property for Housing Commission ownership and operation, including units in foreclosure or that are in jeopardy of being foreclosed [collectively defined as “real estate” within this policy], with or without the use of real estate brokers, the Housing Authority of the City of San Diego (“Housing Authority”) delegates to the Housing Commission, the right, power and authority to purchase and acquire real estate as set forth within this policy.

4.2 In addition to utilizing brokers and/or dealing directly with individual developers and owners, the Housing Commission is encouraged to deal directly with lenders, to the extent feasible, including, without limitation, FNMA and FHLMC, to purchase properties acquired by such lender(s) through foreclosure, or by deeds in lieu of foreclosure, and/or to acquire real estate which is the subject of a Notice of Default during the foreclosure procedure, but prior to actual foreclosure. In addition, the Housing



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Commission is encouraged and authorized to acquire real estate not at risk of foreclosure, to meet the City's Balanced Communities Policy.

- 4.3 The Housing Commission is authorized to review, approve, and execute any and all documents necessary and/or appropriate to effectuate the acquisition(s) referenced in this policy.
- 4.4 The Housing Commission is authorized to contract directly with brokers and/or to cooperate with brokers to effectuate the acquisitions.
- 4.5 Any acquisitions of single family homes/condominium units [Single Family Residences] may be accomplished by the President and Chief Executive Officer of the Housing Commission ("CEO"), or designee, without further action from or by the Board of Commissioners of the Housing Commission (Board of Commissioners), provided that the acquisition(s) is/are based upon a purchase price(s) at or below an appraised value and provided further the clear fee simple title may be acquired by the Housing Commission at the close of escrow. The CEO is authorized to execute any and all documents necessary and/or appropriate to allow for the acquisition of the Single Family Residences, as approved by the General Counsel of the Housing Commission.
- 4.6 The CEO is delegated the power and authority to approve due diligence efforts, up to the limits as set forth by the Housing Authority (currently \$250,000), in order to determine a property's value and suitability for acquisition. Due diligence efforts will include, but shall not be limited to, appraisal, physical needs assessment, lead paint and asbestos containing materials assessment, Phase I and Phase II environmental reports, geotechnical studies, and environmental review.
- 4.7 Acquisitions of real estate other than Single Family Residences shall be approved by the Board of Commissioners.
- 4.8 Any action taken by the Board of Commissioners, as authorized in this policy, may be reviewed by the Housing Authority within seven (7) days of the date of any Housing Commission approval of an acquisition, by notice from any Housing Authority member (City Councilmember) and/or the Executive Director of the Housing Authority, in accordance with the applicable provisions of San Diego Municipal Code.



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- 4.9 Any action of the Housing Commission concerning any acquisition shall become final if no request for review by the Housing Authority is received within such seven (7) days period, in accordance with the provisions of San Diego Municipal Code.
  - 4.10 The Housing Commission is delegated the power and authority to acquire loans, tax credits or other financing necessary and appropriate, if any, for any acquisition approved by it.
  - 4.11 The property acquired shall be utilized by the Housing Commission, either as rental properties for low or moderate income housing, and/or the homes and/or units may be resold to qualified low and/or moderate income purchasers as permitted under applicable law. Any property to be resold shall be in safe, decent and sanitary condition.
  - 4.12 No property may be acquired unless and until a certified appraisal of value has been obtained for each property to be acquired. The purchase price for the property to be acquired must be at or below the appraised value.
  - 4.13 The Housing Commission shall comply with federal and/or state relocation law, as required in connection with any acquisition.
  - 4.14 The Housing Commission shall endeavor to balance the acquisitions of housing among neighborhoods so as to not overly concentrate low and moderate income residential dwelling units in any one geographic area.
  - 4.15 To the extent that any real estate being acquired is to be utilized for public housing, any all applicable federal law and regulations concerning public housing shall be addressed by the Housing Commission prior to the close of escrow for the acquisition. For the purposes of the subsection “addressed” means developing a workable and cost effective plan to meet the federal requirements.



SAN DIEGO  
HOUSING  
COMMISSION

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**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

**History:**  
4/13/1979

**Revision Date:**  
2/12/2009





# POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO-BEF-301.06

**SUBJECT:** Mobile Home Park Development

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## 1 Purpose

To clarify the role of the San Diego Housing Commission (“Housing Commission”) with regard to mobile home parks and, in part, to implement Chapter 14, Article 3, Division 6 and Chapter 13, Article 2, Division 7 of San Diego Municipal Code. It is the Housing Commission's intent that the policy be applicable City-wide except that it will not apply to the De Anza Mobile Home Park. It is the intention of the City of San Diego to deal with any discontinuance and relocation issues involved with De Anza Mobile Home Park by separate ordinance or resolution because of the unique conditions applicable to the De Anza Mobile Home Park.

## 2 Definitions

Terms utilized within this policy are either defined the first time that the term is utilized or there is a cross reference to other sources that provide those definitions.

## 3. Policy

3.1 Mobile homes contribute to a diverse inventory of housing products available to the San Diego region. A range of housing opportunities provides choices for households of varying income levels. In recognition of these circumstances and in keeping with its commitment to expand and preserve a variety of housing opportunities for all income levels, the Housing Commission will oversee provision of relocation assistance and will consider financial support for new park development or park preservation consistent with all accepted Housing Commission funding practices. The provisions of this policy are in accordance with applicable City ordinances including Sec. 143.0630 Discontinuance of a Mobile Home Park and Sec. 143.0640 Sale of Mobile Home Parks.

## 4. Financial Participation in ~~New Development and~~ Preservation of Mobile Home Parks

4.1 The Housing Commission may financially assist in ~~developing new mobile home parks~~ and preserving existing mobile home parks that meet the following criteria:

A) Assistance will be provided according to the Housing Commission’s regular guidelines for financial participation pursuant to ~~standard~~ current underwriting

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SUBJECT: Mobile Home Park Development

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criteria.

B) Parks must ensure long term affordability through deed restrictions and with a deed of trust in favor of the ~~San Diego~~ Housing Commission.

C) Assistance will be available for park purchase by non-profit organizations, resident associations or public entities in order to maintain public control and low income affordability.

## 5. Relocation

5.1 Relocation plans required by the Mobile Home Park Overlay Zone will be reviewed by the President & CEO of the Housing Commission as to conformance with Housing Commission standards. In compliance California Government Code Section 65863.7, the person or entity filing the report or park resident may request, and shall have a right to, a hearing on the sufficiency of the report.

5.2 Relocation will be treated as the responsibility of the private mobile home park owner, or the lessee in the case of a leasehold, and not a public responsibility.

5.3 ~~Relocation plans required by the Mobile Home Park Overlay Zone will be reviewed by the President & CEO of the San Diego Housing Commission as to conformance with Commission standards.~~ Relocation plans must include but are not limited to:

\_\_\_\_\_ Tenant Survey to include:

- \_\_\_\_\_ Methodology,
- Occupancy (household size mix),
- \_\_\_\_\_ Resident Income (HUD definitions from very low-above \_\_\_\_\_ moderate),
- \_\_\_\_\_
- \_\_\_\_\_ Senior/Handicapped Head of Household (households with \_\_\_\_\_ individuals 62 years or older or with mobility problems), and
- \_\_\_\_\_
- \_\_\_\_\_ Mobile Home Data (size, age, improvements, mobility), and

\_\_\_\_\_ Relocation Resources to include:

- \_\_\_\_\_ Methodology,
- \_\_\_\_\_ Mobile Home Parks (detailed list of local parks with available \_\_\_\_\_ spaces),
- \_\_\_\_\_

# POLICY

EFFECTIVE DATE: TBD

NO: PO- BEF-301.06

SUBJECT: Mobile Home Park Development

Page 3 of 6

~~○~~ ~~\_\_\_\_\_~~ Mobile Home Parks Space Availability (detailed list of parks that accept relocation and those that only accept new units),

~~○~~ ~~\_\_\_\_\_~~ Rental Housing (availability and cost of rental housing units in San ~~\_\_\_\_\_~~ Diego)-

~~\_\_\_\_\_~~ Relocation Impacts and Issues to include:

~~○~~ Mobile home disposition and relocation.

~~○~~ D

~~\_\_\_\_\_~~ ~~Mobile home disposition and relocation, and~~

~~○~~ ~~\_\_\_\_\_~~ Detailed mitigation measures,

~~○~~

~~○~~ ~~\_\_\_\_\_~~ Relocation benefits,

~~○~~

~~○~~ ~~\_\_\_\_\_~~ Conclusions and Recommendations,

~~○~~

~~○~~ ~~\_\_\_\_\_~~ Signed Affidavit verifying compliance with Municipal Code ~~\_\_\_\_\_~~

~~\_\_\_\_\_~~ Section 143.0640(a)(1) though (4).

4.4 This document is a policy and should not, therefore, be considered as creating any financial obligation on the part of the Housing Commission or the City to pay any costs with regard to relocation.

4.5 The applicant shall pay fees to the ~~San Diego~~ Housing Commission for expenses incurred pursuant to implementation of PO-BEF-301.06, Attachment 1, Relocation Standards and Procedures. The funds shall be used by the ~~San Diego~~ Housing Commission to monitor compliance with the obligations set forth under this Policy, provide technical assistance to mobile home owners and tenants in their relocation, and recapture legal and consulting fees.

4.6 The Mobile Home Community Issues Committee may review the Mobile Home Park Policy and administrative guidelines and, if it is deemed necessary, recommend policy changes to the Housing Commission.

# POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO- BEF-301.06

**SUBJECT:** Mobile Home Park Development

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**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

**History:**  
10/3/1995

**Revision Date:**  
1/26/10

# POLICY

EFFECTIVE DATE: TBD

NO: PO- BEF-301.06

SUBJECT: Mobile Home Park Development

Page 5 of 6

**ATTACHMENT 1**  
**RELOCATION STANDARDS AND PROCEDURES**  
**(To be an administrative guideline to implementing the**  
**relocation section of Policy PO-BEF-301.06, Revised January 26, 2010)**

1. To provide consistency in evaluating the adequacy of relocation plans, the fiscal standard against which relocation plans will be measured is:

a. In the case where it is feasible to relocate a mobile home, as determined by Housing Commission staff, the park owner shall reimburse the mobile home owner the actual cost within the following ranges:

~~a.b.~~

(These relocation payment amounts should be updated via consultant study)

<u>Mobile Home Size</u>	<u>Relocation Amount</u>	
	<u>Minimum</u>	<u>Maximum</u>
8' AND 10' WIDE	\$4,365	\$7,274
12', 14' AND 16' WIDE	\$7,274	\$10,184
DOUBLEWIDE	\$10,912	\$21,823

In addition, any and all appurtenances would be valued and compensated up to \$1,455 total.

b. In cases where it is not feasible to relocate the mobile home, the park owner (or lessee in the case of a leasehold) shall provide the residence with reasonable relocation expenses as follows:

(1) Each mobile home tenant will receive a lump sum difference between current space rent and rent for a comparable apartment unit of a size appropriate, according to California Health and Safety Code Section 50050, to accommodate the displaced household and that meets HUD Housing Quality Standards for a period not to exceed 42 months. For purposes of calculating a relocation payment, the rent differential will not exceed the difference between the current space rent and the Fair Market Value of a comparable unit as published annually by HUD.

(2) The park owner or lessee shall pay to the mobile home tenant total actual cost of moving expenses for furniture and personal belongings not to exceed \$1,455. (needs review/updating)

(3) Nothing contained herein precludes any mobile home owner that is also the mobile home tenant, to agree to sell the mobile home, that such person resides in, to the park owner or lessee for an agreed upon price to be no less than the amount of relocation benefits described in Section 1(b)(1) of this Administrative Guideline, in

# POLICY

**EFFECTIVE DATE:** TBD

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exchange for waiver of payment of those benefits described in Sections 1(b)(1) provided that such mobile home owner independently agrees to do so and such sale and waiver is not the product of coercion, fraud, force, deception, duress, misrepresentation, undue influence, threat or intimidation. Nothing contained herein shall require any mobile home owner to agree to sell his/her mobile home to a park owner or lessee or to waive receipt of relocation benefits.

2. During relocation the park owner (or lessee in the case of a leasehold) shall pay to each mobile home tenant hotel or temporary lodging cost in the amount of \$147 (needs review/updating)<sup>1</sup> per night up to seven nights.
3. Park owners and lessees will develop a list of available or vacant spaces to which their residents might move. This resource list would include lot sizes, existing rents and park policy regarding admission of older mobile homes.
4. All specific dollar amounts mentioned above will be adjusted annually in conformance with changes in the Consumer Price Index, All Urban Consumers.

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<sup>1</sup> Source: California Lodging Industry Association, 2009 California Lodging Per Diem Rates



# POLICY

**EFFECTIVE DATE:** TBD

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**SUBJECT:** Mobile Home Park Development

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## 1 Purpose

1.1 To clarify the role of the San Diego Housing Commission (“Housing Commission”) with regard to mobile home parks and, in part, to implement Chapter 14, Article 3, Division 6 and Chapter 13, Article 2, Division 7 of San Diego Municipal Code. It is the Housing Commission's intent that the policy be applicable City-wide except that it will not apply to the De Anza Mobile Home Park. It is the intention of the City of San Diego to deal with any discontinuance and relocation issues involved with De Anza Mobile Home Park by separate ordinance or resolution because of the unique conditions applicable to the De Anza Mobile Home Park.

## 2 Definitions

Terms utilized within this policy are either defined the first time that the term is utilized or there is a cross reference to other sources that provide those definitions.

## 3 Policy

3.1 Mobile homes contribute to a diverse inventory of housing products available to the San Diego region. A range of housing opportunities provides choices for households of varying income levels. In recognition of these circumstances and in keeping with its commitment to expand and preserve a variety of housing opportunities for all income levels, the Housing Commission will oversee provision of relocation assistance and will consider financial support for new park development or park preservation consistent with all accepted Housing Commission funding practices. The provisions of this policy are in accordance with applicable City ordinances including Sec. 143.0630 Discontinuance of a Mobile Home Park and Sec. 143.0640 Sale of Mobile Home Parks.

## 4. Financial Participation in Preservation of Mobile Home Parks

4.1 The Housing Commission may financially assist in preserving existing mobile home parks

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**EFFECTIVE DATE:** TBD

**NO:** PO- BEF-301.06

**SUBJECT:** Mobile Home Park Development

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that meet the following criteria:

- A) Assistance will be provided according to the Housing Commission's regular guidelines for financial participation pursuant to current underwriting criteria.
- B) Parks must ensure long term affordability through deed restrictions and with a deed of trust in favor of the Housing Commission.
- C) Assistance will be available for park purchase by non-profit organizations, resident associations or public entities in order to maintain public control and low income affordability.

## 5. Relocation

- 5.1 Relocation plans required by the Mobile Home Park Overlay Zone will be reviewed by the President & CEO of the Housing Commission as to conformance with Housing Commission standards. In compliance California Government Code Section 65863.7, the person or entity filing the report or park resident may request, and shall have a right to, a hearing on the sufficiency of the report.
- 5.2 Relocation will be treated as the responsibility of the private mobile home park owner, or the lessee in the case of a leasehold, and not a public responsibility.
- 5.3 Relocation plans must include but are not limited to:

Tenant Survey to include:

- Methodology,
- Occupancy (household size mix),
- Resident Income (HUD definitions from very low-above moderate),
- Senior/Handicapped Head of Household (households with individuals 62 years or older or with mobility problems), and
- Mobile Home Data (size, age, improvements, mobility), and

Relocation Resources to include:

- Methodology,
- Mobile Home Parks (detailed list of local parks with available spaces),
- Mobile Home Parks Space Availability (detailed list of parks that accept relocation and those that only accept new units),
- Rental Housing (availability and cost of rental housing units in San Diego)

Relocation Impacts and Issues to include:



# POLICY

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- Mobile home disposition and relocation,
  - Detailed mitigation measures,
  - Relocation benefits,
  - Conclusions and Recommendations,
  - Signed Affidavit verifying compliance with Municipal Code Section 143.0640(a)(1) though (4).
- 5.4 This document is a policy and should not, therefore, be considered as creating any financial obligation on the part of the Housing Commission or the City to pay any costs with regard to relocation.
- 5.5 The applicant shall pay fees to the Housing Commission for expenses incurred pursuant to implementation of PO-BEF-301.06, Attachment 1, Relocation Standards and Procedures. The funds shall be used by the Housing Commission to monitor compliance with the obligations set forth under this Policy, provide technical assistance to mobile home owners and tenants in their relocation, and recapture legal and consulting fees.
- 5.6 The Mobile Home Community Issues Committee may review the Mobile Home Park Policy and administrative guidelines and, if it is deemed necessary, recommend policy changes to the Housing Commission.

**Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

**History:**  
10/3/1995

**Revision Date:**  
1/26/10

# POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO- BEF-301.06

**SUBJECT:** Mobile Home Park Development

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**ATTACHMENT 1  
RELOCATION STANDARDS AND PROCEDURES  
(To be an administrative guideline to implementing the  
relocation section of Policy PO-BEF-301.06, Revised January 26, 2010)**

1. To provide consistency in evaluating the adequacy of relocation plans, the fiscal standard against which relocation plans will be measured is:
  - a. In the case where it is feasible to relocate a mobile home, as determined by Housing Commission staff, the park owner shall reimburse the mobile home owner the actual cost within the following ranges:

b.

(These relocation payment amounts should be updated via consultant study)

<u>Mobile Home Size</u>	<u>Relocation Amount</u>	
	<u>Minimum</u>	<u>Maximum</u>
8' AND 10' WIDE	\$4,365	\$7,274
12', 14' AND 16' WIDE	\$7,274	\$10,184
DOUBLEWIDE	\$10,912	\$21,823

In addition, any and all appurtenances would be valued and compensated up to \$1,455 total.

- b. In cases where it is not feasible to relocate the mobile home, the park owner (or lessee in the case of a leasehold) shall provide the residence with reasonable relocation expenses as follows:
  - (1) Each mobile home tenant will receive a lump sum difference between current space rent and rent for a comparable apartment unit of a size appropriate, according to California Health and Safety Code Section 50050, to accommodate the displaced household and that meets HUD Housing Quality Standards for a period not to exceed 42 months. For purposes of calculating a relocation payment, the rent differential will not exceed the difference between the current space rent and the Fair Market Value of a comparable unit as published annually by HUD.
  - (2) The park owner or lessee shall pay to the mobile home tenant total actual cost of moving expenses for furniture and personal belongings not to exceed \$1,455. (needs review/updating)
  - (3) Nothing contained herein precludes any mobile home owner that is also the mobile home tenant, to agree to sell the mobile home, that such person resides in, to the park owner or lessee for an agreed upon price to be no less than the amount of relocation benefits described in Section 1(b)(1) of this Administrative Guideline, in

# POLICY

**EFFECTIVE DATE:** TBD

**NO:** PO- BEF-301.06

**SUBJECT:** Mobile Home Park Development

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exchange for waiver of payment of those benefits described in Sections 1(b)(1) provided that such mobile home owner independently agrees to do so and such sale and waiver is not the product of coercion, fraud, force, deception, duress, misrepresentation, undue influence, threat or intimidation. Nothing contained herein shall require any mobile home owner to agree to sell his/her mobile home to a park owner or lessee or to waive receipt of relocation benefits.

2. During relocation the park owner (or lessee in the case of a leasehold) shall pay to each mobile home tenant hotel or temporary lodging cost in the amount of \$147 (needs review/updating)<sup>1</sup> per night up to seven nights.
3. Park owners and lessees will develop a list of available or vacant spaces to which their residents might move. This resource list would include lot sizes, existing rents and park policy regarding admission of older mobile homes.
4. All specific dollar amounts mentioned above will be adjusted annually in conformance with changes in the Consumer Price Index, All Urban Consumers.

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<sup>1</sup> Source: California Lodging Industry Association, 2009 California Lodging Per Diem Rates



# POLICY

**EFFECTIVE DATE:** TBD **NO:** PO-BEF-301.09  
**SUBJECT:** **COMMISSION RESPONSIBILITIES RELATED TO THE HOUSING TRUST FUND**

Page 1 of 3

~~1. Purpose~~

~~To state Housing Commission policy concerning general issues related to the San Diego Housing Trust Fund (HTF). This policy shall fulfill, in part, the Housing Commission's responsibility to publish administrative rules and guidelines for the implementation of HTF programs.~~

~~2. Background~~

~~The City of San Diego's Performance Audit of the San Diego Housing Commission dated July 29, 2009 recommended that this policy be updated to incorporate the audit's recommendations.~~

~~3. Definitions~~

~~3.1 San Diego Housing Trust Fund: A fund within the City of San Diego's Affordable Housing Fund. The HTF was established to help meet the housing needs of San Diego's very low to moderate income households.~~

~~3.2 Linkage Revenue: HTF revenue includes Housing Impact Fees, also known as "Linkage Fees," which are collected by the City of San Diego and transmitted to the Housing Commission on a quarterly basis.~~

1. Policy

The responsibilities of the San Diego Housing Commission concerning the Housing Trust Fund and the Affordable Housing Fund are set forth within the provisions of San Diego Municipal Code Sections 98.0501 et. seq. and 98.0601 et. seq., as those ordinances may be amended from time to time.

In addition, the President & CEO of the San Diego Housing Commission shall promulgate administrative regulations to allow for the implementation of the duties of the San Diego Housing Commission.

~~1.1 The Housing Commission shall be responsible for oversight and support of the HTF in accordance with the provisions of this policy and San Diego Municipal Code Chapter 9, Article 8, Divisions 5 and 6.~~

# POLICY

EFFECTIVE DATE: TBD

NO: PO-BEF-301.09

SUBJECT: COMMISSION RESPONSIBILITIES RELATED TO THE HOUSING TRUST FUND

Page 2 of 3

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~~1.2 The Housing Commission shall retain sufficient staff to undertake the activities for which it is responsible and as enumerated by this policy and San Diego Municipal Code Chapter 9, Article 8, Divisions 5 and 6.~~

~~1.3 The Housing Commission shall maintain and report within Housing Commission accounts a separate HTF account and any necessary sub-accounts. The HTF account and its sub-accounts shall be maintained separately from the Inclusionary Housing Fund account. The HTF shall be reported separately from the Inclusionary Housing Fund in the Housing Commission's audited financial statements and the audit for compliance with the Affordable Housing Fund Ordinance. The Housing Commission shall reconcile its accounts of Linkage Revenue with City reports of Linkage Revenue transmitted to the Housing Commission. The reconciliations shall be performed at least quarterly.~~

~~A. The Housing Commission shall prepare an annual plan that details how funds will be used for the following fiscal year.~~

~~B. The Housing Commission shall, within 90 days following the close of each fiscal year, submit an annual report to the City Council on the activities undertaken with HTF monies.~~

~~C. The Housing Commission shall prepare any reports legally mandated for financing sources of the HTF.~~

~~1.4 The Housing Commission shall not accept direct payments of Linkage fees. The Housing Commission shall refer any attempted payments to the City of San Diego's Development Services.~~

~~1.5 The President & Chief Executive Officer shall schedule for consideration by the Housing Commission applications for: 1) variance from payment of Housing Impact Fees that are over \$15,000; and, 2) dedication of land or air rights in lieu of payment of Housing Impact Fees~~

~~1.6 The President & Chief Executive Officer has authority to review and approve/deny applications for variance from payment of Housing Impact Fees that are less than or equal to 15,000.~~

~~1.7 The President & Chief Executive Officer shall schedule for consideration by the Housing Commission all HTF commitments in accordance with Housing Commission Administrative Regulation AR000.003.~~

# POLICY

EFFECTIVE DATE: TBD

NO: PO-BEF-301.09

SUBJECT: COMMISSION RESPONSIBILITIES RELATED TO THE HOUSING TRUST FUND

Page 3 of 3

~~1.8 The Housing Commission shall monitor programs and projects which receive monies from the HTF to assure compliance with contract terms and conditions, particularly those concerning affordability and occupancy restrictions.~~

~~1.9 The Housing Commission shall enforce terms and conditions of contracts pursuant to provisions of the HTF Ordinance.~~

~~1.10 In cases where Housing Commission responsibility is not specifically addressed by provisions of San Diego Municipal Code Chapter 9, Article 8, Divisions 5 and 6, its involvement in HTF related activities shall be governed by established Housing Commission policy.~~

Approved:

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

History:

8/6/1990  
12/31/2003  
7/14/2010

Revision Date:

1/23/2012



# POLICY

**EFFECTIVE DATE:** TBD **NO:** PO-BEF-301.09  
**SUBJECT:** **COMMISSION RESPONSIBILITIES RELATED TO THE HOUSING TRUST FUND**

Page 1 of 1

## 1. Policy

The responsibilities of the San Diego Housing Commission concerning the Housing Trust Fund and the Affordable Housing Fund are set forth within the provisions of San Diego Municipal Code Sections 98.0501 et. seq. and 98.0601 et. seq., as those ordinances may be amended from time to time.

In addition, the President & CEO of the San Diego Housing Commission shall promulgate administrative regulations to allow for the implementation of the duties of the San Diego Housing Commission.

### Approved:

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

### History:

8/6/1990  
12/31/2003  
7/14/2010

### Revision Date:

1/23/2012



# POLICY

EFFECTIVE DATE: TBD NO: PO-BEF-301.08  
SUBJECT: COMMISSION RESPONSIBILITIES RELATED TO  
ADMINISTRATION OF THE INCLUSIONARY HOUSING PROGRAM IIF AND THE IHP

~~1. Purpose~~

~~To state Housing Commission policy concerning general issues related to the San Diego Inclusionary Housing Fund (IIF) and the San Diego Inclusionary Housing Program (IHP). This policy shall fulfill, in part, the Housing Commission's responsibility to publish administrative rules and guidelines for the implementation of the IIF and the IHP.~~

~~2. Background~~

~~The City of San Diego's Performance Audit of the San Diego Housing Commission dated July 29, 2009 recommended that this policy be created to reflect the audit's recommendations.~~

~~IIF fees are collected by the City of San Diego and are transmitted to the Housing Commission on a quarterly basis.~~

~~3. Definitions~~

~~3.1 The IIF is part of the Affordable Housing Fund (AHF), which was established to help meet the housing needs of San Diego's very low to moderate income households. The AHF is governed by San Diego Municipal Code Chapter 9, Article 8, Division 5.~~

~~3.2 The IHP carries out the Inclusionary Housing regulations found at San Diego Municipal Code Chapter 14, Article 2, Division 13.~~

1. Policy

The responsibilities of the San Diego Housing Commission concerning the Inclusionary Ordinance are set forth within the provisions of San Diego Municipal Code Section 142.1301 et. seq., as that ordinance may be amended from time to time.

In addition, the President & CEO of the San Diego Housing Commission shall promulgate administrative regulations to allow for the implementation of the duties of the San Diego Housing Commission.



# POLICY

EFFECTIVE DATE: TBD

NO: PO-BEF-301.08

SUBJECT: **COMMISSION RESPONSIBILITIES RELATED TO THE ADMINISTRATION OF THE INCLUSIONARY HOUSING PROGRAM ~~IHF AND THE IHP~~**

Page 2 of 3

- 
- ~~1.1 The Housing Commission shall be responsible for oversight and support of the IHF in accordance with the provisions of this policy and San Diego Municipal Code Chapter 9, Article 8, Division 5.~~
- ~~1.2 The Housing Commission shall retain sufficient staff to undertake the activities for which it is responsible and as enumerated by this policy and San Diego Municipal Code Chapter 9, Article 8, Division 5 and Chapter 14, Article 2, Division 13.~~
- ~~1.3 The Housing Commission shall maintain and report within Housing Commission accounts a separate IHF account. The IHF account and its sub-accounts shall be maintained separately from the Housing Trust Fund account. The IHF shall be reported separately from the Housing Trust Fund in the Housing Commission's audited financial statements and the audit for compliance with the Affordable Housing Fund Ordinance. The Housing Commission shall reconcile its accounts of Inclusionary Funds with City reports of Inclusionary Funds transmitted to the Housing Commission. The reconciliations shall be performed at least quarterly.~~
- ~~A. The Housing Commission shall prepare an annual plan that details how funds will be used for the following fiscal year.~~
  - ~~B. The Housing Commission shall, within 90 days following the close of each fiscal year, submit an annual report to the City Council on the activities undertaken with IHF monies.~~
  - ~~C. The Housing Commission shall prepare any reports legally mandated for financing sources of the IHF.~~
- ~~1.4 The Housing Commission shall not accept direct payments of Inclusionary Fund fees. The Housing Commission shall refer any attempted payments to the City of San Diego's Development Services Department for payment.~~
- ~~1.5 The President & Chief Executive Officer shall schedule for consideration by the Housing Commission all IHF commitments in accordance with Housing Commission Administrative Regulation AR000.003.~~
- ~~1.6 The Housing Commission shall monitor programs and projects **which receive monies from the IHF contract terms and conditions, particularly those concerning affordability and occupancy restrictions.**~~

# POLICY

EFFECTIVE DATE: TBD

NO: PO-BEF-301.08

SUBJECT: **COMMISSION RESPONSIBILITIES RELATED TO THE ADMINISTRATION OF THE INCLUSIONARY HOUSING PROGRAM ~~IHF AND THE IHP~~**

Page 3 of 3

~~1.7 The Housing Commission shall enforce terms and conditions of contracts pursuant to provisions of the Inclusionary Housing Ordinance.~~

~~1.8 In cases where Housing Commission responsibility is not specifically addressed by provisions of San Diego Municipal Code Chapter 9, Article 8, Division 5 and Chapter 14, Article 2, Division 13, its involvement in IHF related activities shall be governed by established Housing Commission policy, including the Inclusionary Affordable Housing Implementation and Monitoring Procedures Manual.~~

~~1.8 Administration of the IHP is governed by the San Diego Housing Commission Inclusionary Affordable Housing Implementation and Monitoring Procedures manual (Attachment 1).~~

Approved:

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

**History:**  
1/23/2012

**Revision Date:**

~~Attachment 1: San Diego Housing Commission Inclusionary Affordable Housing Implementation and Monitoring Procedures manual.~~



SAN DIEGO  
HOUSING  
COMMISSION

# POLICY

**EFFECTIVE DATE:** TBD **NO:** PO-BEF-301.08  
**SUBJECT:** **COMMISSION RESPONSIBILITIES RELATED TO  
ADMINISTRATION OF THE INCLUSIONARY HOUSING  
PROGRAM**

Page 1 of 1

## 1. Policy

The responsibilities of the San Diego Housing Commission concerning the Inclusionary Ordinance are set forth within the provisions of San Diego Municipal Code Section 142.1301 et. seq., as that ordinance may be amended from time to time.

In addition, the President & CEO of the San Diego Housing Commission shall promulgate administrative regulations to allow for the implementation of the duties of the San Diego Housing Commission.

### **Approved:**

\_\_\_\_\_  
Jeff Davis  
Executive Vice President & Chief of Staff

\_\_\_\_\_  
Date

**History:**  
1/23/2012

**Revision Date:**