



## EXECUTIVE SUMMARY

MEETING DATE: November 22, 2024

HCR24-086

SUBJECT: Authorization to Amend Wells Fargo Foundation Grant Agreement

COUNCIL DISTRICT: Citywide

ORIGINATING DEPARTMENT: Equity Assurance

CONTACT/PHONE NUMBER: Debra Fischle-Faulk (619) 578-7411

**REQUESTED ACTION:**

Authorize and direct the President and Chief Executive Officer to take all necessary and appropriate actions to amend the existing \$7.5 million multiyear grant awarded to the San Diego Housing Commission (Housing Commission) pursuant to the Wells Fargo Foundation Wealth Opportunities Realized Through Homeownership (WORTH) Program and reinstate the Housing Commission's Middle-Income First-Time Homebuyer Program funded under that grant in accordance with the amended grant agreement.

**EXECUTIVE SUMMARY OF KEY FACTORS:**

- During Fiscal Year 2022, the Housing Commission received a \$7.5 million multiyear grant award from the Wells Fargo Foundation in support of the WORTH Program.
- An agreement was executed in June 2022 that included the implementation of homeownership products and services to assist Black, Indigenous, People of Color (BIPOC) households prepare for homeownership and/or purchase a home.
- The Housing Commission indefinitely suspended the operations of the Middle-Income First-Time Homebuyer Program on May 10, 2024.
- The Program has not been reinstated and will not be unless and until an amendment to the Grant Agreement is obtained that directs a race-neutral approach and includes direct assistance in the form of down payment loans and grants to homebuyers, targeted outreach, the provision of and referrals to credit counseling, and hosting networking events for potential homebuyers with real estate professionals, lenders, etc.
- Approving the proposed actions does not impact the Housing Commission's Fiscal Year 2025 Budget.



## REPORT

**DATE ISSUED:** November 15, 2024

**REPORT NO:** HCR24-086

**ATTENTION:** Chair and Members of the San Diego Housing Commission Board of Commissioners  
For the Agenda of November 22, 2024

**SUBJECT:** Authorization to Amend Wells Fargo Foundation Grant Agreement

**COUNCIL DISTRICT:** Citywide

### **REQUESTED ACTION**

Authorize and direct the President and Chief Executive Officer to take all necessary and appropriate actions to amend the existing \$7.5 million multiyear grant awarded to the San Diego Housing Commission (Housing Commission) pursuant to the Wells Fargo Foundation Wealth Opportunities Realized through Homeownership (WORTH) Program and reinstate the Housing Commission's Middle-Income First-Time Homebuyer Program funded under that grant in accordance with the amended grant agreement.

### **STAFF RECOMMENDATION**

That the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) take the following actions:

- 1) Authorize and direct the Housing Commission's President and Chief Executive Officer (President and CEO), or designee to:
  - a) Execute an amended Grant Agreement with the Wells Fargo Foundation in support of the Wealth Opportunities Realized through Homeownership (WORTH) Program that, among other things, expressly states that benefits or services administered by the Housing Commission pursuant to that grant, as amended, do not use race, color, or national origin as a condition for receipt of those benefits or services.
  - b) Reinstate the Housing Commission's Middle-Income First-Time Homebuyer Program and any other benefits or services in accordance with the Amended Grant Agreement.
  - c) Implement the Housing Commission's Middle-Income First-Time Homebuyer Program and any other benefits or services under the Amended Grant Agreement to ensure that no person shall be excluded from participating in, denied benefits of, or subjected to discrimination based on race, color, or national origin under that Program or any other benefits or services under the Amended Grant Agreement.
- 2) Authorize the Housing Commission's President and CEO, or designee to execute any and all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions as necessary and/or appropriate to implement these approvals, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each Housing Commissioner.

### **SUMMARY**

During Fiscal Year 2022, the Housing Commission received a \$7.5 million multiyear grant award from the Wells Fargo Foundation in support of the WORTH Program. The WORTH initiative is a \$60 million

national effort to address systemic barriers to homeownership for people of color. An agreement was executed in June 2022 that included the implementation of homeownership products and services to assist Black, Indigenous, People of Color (BIPOC) households prepare for homeownership and/or purchase a home.

The Housing Commission indefinitely suspended the operations of the Middle-Income First-Time Homebuyer Program on May 10, 2024. The Program has not been reinstated and will not be unless and until an amendment to the Grant Agreement is obtained that directs a race-neutral approach and includes direct assistance in the form of down payment loans and grants to homebuyers, targeted outreach, the provision of and referrals to credit counseling, and hosting networking events for potential homebuyers with real estate professionals, lenders, etc.

### **FISCAL CONSIDERATIONS**

Approving this action does not impact the FY 2025 budget.

### **HOUSING COMMISSION STRATEGIC PLAN**

This item relates to the Vision and Purpose in the Housing Commission Strategic Plan for Fiscal Year (FY) 2022-2024. Vision: Everyone in the City of San Diego has a home they can afford. Purpose: Help individuals, families and the San Diego community thrive. The Housing Commission is in the process of developing a new strategic plan.

### **EQUAL OPPORTUNITY CONTRACTING AND EQUITY ASSURANCE**

This program supports increasing homeownership for households with an income level between 80%-150% of San Diego's Area Median Income (AMI). Significant outreach efforts will be deployed to ensure all community members are aware of and have access to the program.

### **COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS**

Existing business relationships with the Housing Commission's participating community-based organizations, lenders and real estate professionals will be leveraged for outreach communications and included in the development of targeted and effective messaging campaigns.

Outreach activities will include, but are not limited to workshops, flyers, website postings, social media posts, and in-person/virtual presentations and will include mentioning various ways borrowers may utilize this Program, including options for down payment loans and/or closing cost grants.

### **KEY STAKEHOLDERS and PROJECTED IMPACTS**

The Program is designed to assist potential new homebuyers in San Diego with an income level between 80%-150% of AMI. Stakeholders include prospective homebuyers that meet the program income levels, the Wells Fargo Foundation, and participating community-based organizations.

### **ENVIRONMENTAL REVIEW**

The grant amendment is not a project as defined by the California Environmental Quality Act Section 21065 and State CEQA Guidelines Section 15378(b)(4), as it is government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. 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. Processing under the National Environmental Policy Act is not required as no federal funds are involved in these activities.

Respectfully submitted,

*Debra Fischle-Faulk*

Debra Fischle-Faulk  
Senior Vice President, Equity Assurance  
San Diego Housing Commission

Approved by,

*Jeff Davis*

Jeff Davis  
Deputy Chief Executive Officer  
San Diego Housing Commission

Hard copies are available for review during business hours at the information desk in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 Docket materials are also available in the "Governance & Legislative Affairs" section of the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org).