



REPORT

DATE ISSUED: March 7, 2024

REPORT NO: HCR24-043

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of March 15, 2024

SUBJECT: Revisions to the Previously Approved Housing Authority Resolutions HA-1882 and HA-1924 That Authorized the San Diego Housing Commission to Submit an Application for State of California CalHome Program Funds

COUNCIL DISTRICT: Citywide

REQUESTED ACTION

Approve revisions to the previously approved Housing Authority Resolutions HA-1882 and HA-1924 that authorized the San Diego Housing Commission to submit an application to the California Department of Housing and Community Development for up to \$5 million in funding from the CalHome General Program in support of the First-Time Homebuyer Program, to comply with the State of California Department of Housing and Community Development's request to change the resolution.

STAFF RECOMMENDATION

That San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) recommend that the Housing Authority of the City of San Diego (Housing Authority) take the following actions:

- 1) Approve revisions to the previously approved Housing Authority Resolutions HA-1882 and HA-1924 (Attachments 1 and 2) that authorized the Housing Commission's President and Chief Executive Officer (President and CEO), or designee, in a form of an amended resolution, a revised resolution, or a new resolution, or such other form of resolution, as determined by the office of the City Attorney, to apply to the California Department of Housing and Community Development (HCD) for up to \$5 million in CalHome Program funds.
- 2) Affirm that Lisa Jones, President and CEO of the San Diego Housing Commission, or designee, is authorized to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, and to take such actions as are necessary and/or appropriate to implement these approvals as previously approved in Resolutions HA-1882 and HA-1924.
- 3) Authorize such budget amendments as are necessary to allow for the utilization of any CalHome Program Funds.

SUMMARY:

On August 31, 2020, HCD issued a Notice of Funding Availability (NOFA) for several activities, including First-Time Homebuyer Mortgage Assistance. Funding under this NOFA is provided from the Affordable Housing Bond Act Trust Fund of 2018. The deadline for applications under this NOFA was October 29, 2020.

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On October 27, 2020, the Housing Authority authorized the Housing Commission to submit an application for \$5 million in funding through this NOFA (Report No. HAR20-038. Resolution No. HA-1882). The Housing-Authority-approved resolution conformed to the HCD resolution requirements at the time. The Housing Commission submitted an application for funding before the NOFA deadline.

On June 4, 2021, HCD announced the awardees. The Housing Commission received an award of \$4,079,250. Funding under this CalHome award has been deployed through the Housing Commission's existing First-Time Homebuyer Program.

On July 19, 2021, HCD staff asked the Housing Commission to revise section three of the previously approved Housing Authority Resolution to expressly state the name(s) and title(s) of the persons authorized to sign the Standard Agreement and Monitoring Agreement and to remove the language "as approved by the Housing Commission General Counsel." An HCD representative confirmed to the Housing Commission by email on July 27, 2021, that the proposed revised Section 3 of the resolution as shown below fulfilled HCD's request at that time.

Section 3 of the previously approved resolution:

3. The President & CEO, or designee, is authorized to take such actions and to execute such documents, as approved by the Housing Commission General Counsel and to execute in the name of the Housing Commission, the application, the Standard Agreement, and any subsequent amendments or modifications thereto, as well as any other documents required by HCD for participation in the CalHome Program, and any amendments thereto.

Revised Section 3 of the resolution:

3. Richard C. Gentry, the President & CEO of the San Diego Housing Commission, or his designee, is authorized to take such actions and to execute in the name of the San Diego Housing Commission, the application, the Standard Agreement, and any subsequent amendments or modifications thereto, as well as any other documents required by HCD for participation in the CalHome Program, and any amendments thereto.

At the time of the Housing Authority's approval of Resolution HA-1882 on October 27, 2020, and of Resolution HA-1924 on October 5, 2021, the Housing Commission's President and CEO was Richard C. Gentry. Mr. Gentry resigned, effective March 31, 2022. On March 15, 2022, the Housing Authority appointed Jeff Davis to serve as Interim President and CEO, effective April 1, 2022 (Resolution HA-1939). On December 12, 2023, the Housing Authority appointed Lisa Jones to be the Housing Commission's President and Chief Executive Officer, effective December 13, 2023 (Resolution HA-1997). Jeff Davis' title changed to Deputy Chief Executive Officer.

The Housing Commission's ability to use the awarded CalHome funds was delayed eight months after the funds were awarded because of HCD-required actions. These included the aforementioned HCD requirement for the previously approved Housing Authority resolution to be revised to specifically identify Richard C. Gentry by name as the Housing Commission's President and CEO, as well as HCD

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revisions to the required program guidelines and checklists, which were necessary to execute a monitoring agreement with HCD.

The Housing Commission’s agreement with HCD for expenditure of the awarded CalHome funds expires May 25, 2024. The Housing Commission anticipates fully utilizing all the CalHome funds awarded to the Housing Commission through HCD’s August 31, 2020, NOFA by May 25, 2024. However, as a precaution because the number of anticipated First-time Homebuyer mortgage applications is unknown, the Housing Commission requested that HCD amend the terms of the agreement to extend the time by which the funds must be utilized. The amended agreement would extend the deadline by six months to November 25, 2024.

On January 19, 2024, Housing Commission President and CEO Lisa Jones signed a “Designation of Authority,” designating Deputy CEO Jeff Davis to act on her behalf when she is unavailable or out of the office. On February 28, 2024, Deputy CEO Jeff Davis signed the amended agreement with HCD on behalf of the Housing Commission (Attachment 3). The amended agreement was submitted to HCD on February 28, 2024. The next day, February 29, 2024, HCD directed the Housing Commission by email to submit an updated resolution with the Housing Commission’s current CEO as the authorized representative for documents for these CalHome funds.

FISCAL CONSIDERATIONS:

At the time of the original Housing Authority action on October 27, 2020, that authorized the application for CalHome funds, the Housing Commission anticipated that approving this action would provide homeownership assistance to approximately 60 families, based upon the Fiscal Year 2020 average homeownership assistance of \$66,624 per household. It would also increase the Housing Authority-approved Fiscal Year (FY) 2022 Housing Commission Budget by \$5,000,000; however, it would not affect the program-specific budget for the First-Time Homebuyer Program because these funds would be substituted for other funding sources.

The sources and uses approved by the October 27, 2020, Housing Authority action were as follows:

SOURCES		USES	
CalHome Award	\$5,000,000	FTHB Deferred Payment Loans	\$4,500,000
-	-	Administration	\$ 500,000
Total	\$5,000,000	Total	\$5,000,000

Since HCD’s award of \$4,079,250 to the Housing Commission on June 4, 2021, the Housing Commission has expended \$3,357,122 of these funds to provide deferred-payment loans that have assisted 43 first-time homebuyers. The Housing Commission anticipates expending the remaining \$722,128 to assist additional first-time homebuyers by May 25, 2024, and no later than November 25, 2024.

EQUAL OPPORTUNITY CONTRACTING AND EQUITY ASSURANCE

The California Department of Housing and Community Development’s (HCD) mission is to promote safe, affordable homes and strong vibrant communities throughout California. HCD is focused on efforts to address decades of housing underproduction and the increasing impacts of climate change by making strategic investments that can quickly provide housing at scale and simultaneously catalyze economic development.

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HOUSING COMMISSION STRATEGIC PLAN

This item relates to Strategic Priority Area No. 1 and No. 2 in the Housing Commission’s Strategic Plan for Fiscal Year (FY) 2022-2024. Strategic Priority Area No. 1: Increasing and Preserving Housing Solutions. Strategic Priority Area No. 2: Helping Families Increase Opportunities for Self- Sufficiency and Quality of Life.

PREVIOUS COUNCIL and/or COMMITTEE ACTION

On January 7, 2020, June 24, 2014, March 5, 2013, November 15, 2011, June 15, 2010, April 17, 2007, September 9, 2003, and January 30, 2001, the Housing Authority authorized an application to HCD for CalHome Program funds. The last two applications in 2014 and early 2020 did not result in a funding award.

Housing Authority Resolution HA-1882, passed on October 27, 2020, authorized an application that resulted in an award of \$4,079,250 in CalHome program funds to the San Diego Housing Commission.

Housing Authority Resolution HA-1924, passed on October 5, 2021, modified Resolution HA-1882, as directed by HCD.

ENVIRONMENTAL REVIEW:

This activity is not a project pursuant to CEQA Guidelines Section 15378(b)(5), as it is an administrative activity of government that will not result in direct or indirect physical changes in the environment. This action seeks to authorize the submission of an application to the California Department of Housing and Community Development for up to \$5 million in funding from the Cal Home General Program in support of the First-Time Homebuyer Program, which will not cause a significant environmental impact on its own accord. As such, this activity is not subject to CEQA pursuant to CEQA guidelines Section 15060(c)(3). Processing under the National Environmental Policy Act is not required as no federal funds are involved in this action. The parties agree that the provision of any federal funds as the result of this action is conditioned on the City of San Diego’s final NEPA review and approval.

Respectfully submitted,

Sujata Raman

Sujata Raman
Vice President, Single-Family Housing Finance
Real Estate Division

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.