

Action Plan

Grantee: San Diego, CA

Grant: B-08-MN-06-0521

LOCCS Authorized Amount:	\$ 9,442,370.00
Grant Award Amount:	\$ 9,442,370.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 3,000,000.00
Total Budget:	\$ 12,442,370.00

Funding Sources

No Funding Sources Found

Narratives

Areas of Greatest Need:

The areas of greatest need for which NSP funding is requested correlate to City of San Diego Council Districts 3, 4, 7 and 8 and, more specifically, to zip codes: 92102, 92104, 92105, 92113, 92114 and 92154. The City will prioritize the use of the NSP funds by first targeting the acquisition of foreclosed units in neighborhoods with the highest concentration of subprime mortgage loans and at the highest risk of additional foreclosures, as evidenced through HUD-provided data and City of San Diego-provided data on foreclosures that have occurred from July 2007 through September 2008. The location of assistance is the City of San Diego, California, and the responsible organization is the San Diego Housing Commission on behalf of the City of San Diego. The project dates and duration of assistance are upon release of funding by HUD until as long as funds are available and/or no later than the end of July 2013.

Distribution and and Uses of Funds:

Five activities are associated with this action plan as identified in the City of San Diego's approved NSP Substantial Amendment: Financing Mechanism (homeownership assistance to first-time homebuyers, including homeownership counseling; Acquisition/Rehabilitation and Rental to low-income tenants (the City of San Diego's 25 percent low-income housing set-aside activity); Acquisition/Rehabilitation and Resale to low-, moderate-, and middle-income (LMMI) first-time homebuyers; Redevelopment of demolished or vacant properties; and Administration costs to implement the NSP grant.

A reallocation of funds from the Financing Mechanism, Redevelop Demolished or Vacant Properties, and Administration activities to the Acquisition/Rehabilitation and Resale activity within the City of San Diego's NSP Action Plan was approved by the San Diego City Council on March 13, 2012. The revised activity budgets are reflected in the City of San Diego's NSP Action Plan as of April 4, 2012.

An NSP Action Plan technical amendment is being submitted to HUD on April 11, 2012, to re-open the Financing Mechanism activity to enable the City of San Diego to draw down NSP program income funds for past Financing Mechanism activity costs. The Financing Mechanism activity was closed out (i.e. marked as completed) in the NSP Action Plan amendment submitted to HUD on April 4, 2012.

Definitions and Descriptions:

- Definition of "blighted structure" in context of state or local law: The City of San Diego uses the State of California's definition of blight as found at California Health and Safety Code Sections 33030 and 33031.
- Definition of "affordable rents": For any NSP-funded rental activity, "affordable rents" shall be defined as 30% of the household's adjusted gross income, less utility allowances as adopted by the Housing Authority of the City of San Diego for the Section 8 program, as appropriate. HUD's Fair Market Rent schedule for the San Diego-Carlsbad-San Marcos metropolitan statistical area (MSA) will be used. Should any gap be present, funds for this gap will be required from other sources of funding.
- Describe how the grantee will ensure continued affordability for NSP-assisted housing: Continued affordability will be ensured for the entire period of affordability through monitoring, following the specific HOME monitoring requirements as defined in 24 Code of Federal Regulations (CFR) Part 92.
- Describe housing rehabilitation standards that will apply to NSP-assisted activities: For NSP-related rehabilitation efforts, the City of San Diego will utilize the San Diego Housing Commission's (SDHC) Rehabilitation Standards. Rehabilitation Standards are used to prioritize work items when determining the final scope of work. Priorities include:



1. First priority is the elimination of Health/Safety hazards and code violations. This may include the following major systems or building components: a) Structural; b) Plumbing; c) Mechanical; d) Electrical; e) Interior/Exterior Building Components; f) Required Lead-Based Paint Remediation.
2. Second priority is the elimination of incipient violations. These work items would include all of the work mentioned above that are not code violations today, but will become violations at some time in the near future (two years or less).
3. Third priority is energy and/or water conservation improvements. These conservation improvements or repairs include insulation, water saving toilets or other fixtures, energy-efficient appliances, water heaters, and xeriscape yard improvements.
4. Fourth priority is general property improvements. General property improvements are those items which cannot be classified in the first three categories but by their inclusion enhance the exterior or interior appearance of the dwelling or occupancy of the inhabitants. For the most part, general property improvements are limited to funding sources that allow them. In all cases the work must be justified. "Luxury" items are not allowed.

Individual rehabilitation programs administered by SDHC may forbid the installation or repair of certain items. It is the responsibility of the SDHC staff to know and understand program regulations and make decisions accordingly. In addition, staff should be aware of and ensure that items that are in violation of the City of San Diego's building codes/ordinances as well as the Uniform Building Code, National Electric Code, Uniform Plumbing Code and the Uniform Housing Code are corrected.

Termite Repairs - A Termite Inspection Report is required and is prepared for every home by a licensed inspector. The report should identify any termite or dry rot damaged wood members in the home as well as whether or not there are any active termite infestations in the home. Any termite or dry rot damaged wood members in the home are required to be replaced or repaired due to the health and safety risk they pose to the structural integrity of the home. Fumigation or other treatments recommended to eliminate any active termite infestations are required.

Ineligible Items - There are specific items that may or may not be allowed as eligible work and are determined by need, circumstances and individual program parameters. These items include:

1. Room additions
2. Patio covers and slabs (replacement only unless existing conditions can be documented/justified and authorized by SDHC)
3. Landscaping
4. Garages and carports
5. Window coverings

The following items are ineligible under most programs offered by SDHC:

1. Luxury materials, appliances, etc.
2. Replacement of items in "like new" condition early into normal life expectancy
3. Mirrored closet doors
4. Greenhouses
5. Animal kennels/cages/runs
6. Swimming pools
7. Saunas/spas/sunken tubs
8. Outdoor fireplaces/barbecues
9. Trash compactors
10. Tennis courts
11. Wet bars
12. Security systems

Low Income Targeting:

The City of San Diego will make at least \$2,360,593 available for NSP activities to benefit low-income (up to 50% of area median income) households. The primary activity through which the LH25% set-aside will be expended is the Acquisition/Rehabilitation and Rental activity; however, low-income households may also be assisted through the Financing Mechanism, Acquisition/Rehabilitation and Resale, and Redevelop Demolished/Vacant Properties activities.

Acquisition and Relocation:

All of the NSP activities discussed herein are anticipated to be initiated upon the release of NSP funds - that is, at the outset of the 2009 calendar year. All funds will be initially committed within 18 months; several of these activities anticipate returning funds (i.e. program income) which will continue to be used within the NSP guidelines as long as possible (currently estimated to be July 2013).

No conversions or demolitions of low- or moderate-income dwelling units are anticipated. A small number of units may be acquired and rehabilitated. Of these, none are anticipated to have had an affordability covenant; however, some of these may have been occupied and/or owned by low- and moderate-income households.

The number of NSP affordable housing units made available to low-, moderate-, and middle-income (LMMI) households reasonably expected to be produced by the various activities are as follows:

- Financing mechanisms to first-time homebuyers through a silent-second trust deed mortgage and rehabilitation loan: Approximately 38 homes.
- Acquisition/rehabilitation and resale to LMMI first-time homebuyers: Approximately 11-16 homes.
- Acquisition/rehabilitation and rental to low-income households: Approximately 30 rental units.
- Redevelop demolished or vacant properties: Approximately 2-5 rental units.

Public Comment:

Please see the City of San Diego's NSP Substantial Amendment at: <http://www.sandiego.gov/cdbg/general/index.shtml>. Additional comments were received at the public hearing on the City's NSP Substantial Amendment on November 18, 2008. A video recording of that hearing can be found at: http://granicus.sandiego.gov/ViewPublisher.php?view_id=31.



Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
0001	NSP Eligible Use A	NSP-1	Financing Mechanism for First-Time
0002	NSP Eligible Use B	NSP-2A	Acquisition/Rehabilitation/Rental-City View
		NSP-2B	Acquisition/Rehabilitation-LMMI
0003	NSP Administration	NSP-3A	Grant Administration-San Diego Housing
		NSP-3B	Grant Administration-City of San Diego
0004	NSP Eligible Use E	NSP-4	Redevelop Demo'd/Vacant Properties-
9999	Restricted Balance		<i>No activities in this project</i>

Activities



Grantee Activity Number: NSP-2A
Activity Title: Acquisition/Rehabilitation/Rental-City View Apts

Activity Type:
 Acquisition - general

Activity Status:
 Completed

Project Number:
 0002

Project Title:
 NSP Eligible Use B

Projected Start Date:
 06/01/2009

Projected End Date:
 04/30/2012

Project Draw Block by HUD:
 Not Blocked

Project Draw Block Date by HUD:

Activity Draw Block by HUD:
 Not Blocked

Activity Draw Block Date by HUD:

Block Drawdown By Grantee:
 Not Blocked

Total Budget: \$ 3,600,000.00

Other Funds Total: \$ 0.00

National Objective:
 LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Total Funds Amount: \$ 3,600,000.00

Environmental Assessment:
 COMPLETED

Benefit Report Type:
 Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Renter Households	30	30		100.00
# of Households	30	30		100.00
# of Permanent Jobs Created				0.0

Proposed Accomplishments	Total
# of Multifamily Units	30
# of Housing Units	30
Total acquisition compensation to owners	
# of Parcels acquired voluntarily	30
# of Parcels acquired by admin settlement	
# of Parcels acquired by condemnation	
# of buildings (non-residential)	
# of Properties	30

Activity is being carried out by Grantee:
 No

Activity is being carried out through:

Organization carrying out Activity:
 San Diego Housing Commission

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
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Location Description:

4105 Georgia Street, San Diego, CA 92103.

Activity Description:

Acquisition and rehabilitation of foreclosed upon multi-family rental property, and rental of the rehabilitated units at affordable rents to households earning 50% or less of Area Median Income. The budgeted NSP funds will be leveraged with HOME grant funds, local Housing Trust Fund funds, tax-exempt multi-family housing bonds funds, low-income housing tax credit equity, and developer equity (\$10,735,000 total budget) to rehabilitate a total of twenty-nine (29) affordable rental units and one (1) manager's unit.

Grantee Activity Number: NSP-3A
Activity Title: Grant Administration-San Diego Housing Commission

Activity Type:

Administration

Project Number:

0003

Projected Start Date:

04/21/2009

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

Environmental Assessment:

COMPLETED

Benefit Report Type:

NA

Activity Status:

Under Way

Project Title:

NSP Administration

Projected End Date:

07/31/2013

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 675,011.29

Other Funds Total: \$ 0.00

Total Funds Amount: \$ 675,011.29

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

San Diego Housing Commission

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
San Diego Housing Commission	Unknown	\$ 675,011.29

Location Description:

City of San Diego

Activity Description:

NSP grant administrative activities carried out by San Diego Housing Commission staff, including: implementing and carrying out NSP-funded programs and activities; overseeing project and activity budgets; tracking NSP activities and accomplishments.



Grantee Activity Number:	NSP-1
Activity Title:	Financing Mechanism for First-Time Homebuyers

Activity Type:
Homeownership Assistance to low- and moderate-income

Project Number:
0001

Projected Start Date:
05/01/2009

Project Draw Block by HUD:
Not Blocked

Activity Draw Block by HUD:
Not Blocked

Block Drawdown By Grantee:
Not Blocked

National Objective:
LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Environmental Assessment:
COMPLETED

Benefit Report Type:
Direct (Households)

Activity Status:
Completed

Project Title:
NSP Eligible Use A

Projected End Date:
03/31/2012

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 3,532,028.76

Other Funds Total: \$ 0.00

Total Funds Amount: \$ 3,532,028.76

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Owner Households	38			0.00
# of Households	38			0.00

Proposed Accomplishments	Total
# of Singlefamily Units	38
# of Housing Units	38

Activity is being carried out by Grantee: No

Activity is being carried out through:

Organization carrying out Activity:
San Diego Housing Commission

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
San Diego Housing Commission	Unknown	\$ 3,532,028.76



Location Description:

Various properties within the City of San Diego's areas of greatest need. See City of San Diego's NSP quarterly performance reports for specific property addresses as properties are purchased and/or rehabilitated and occupied by eligible beneficiaries.

Activity Description:

Financing for the purchase and rehabilitation of foreclosed upon homes and residential properties by first-time homebuyers. Types of financing available include: second trust deed mortgages (30-year, 0% interest) for between 17% and 27% of the homebuyer's final sales price; closing cost assistance grants for 3% of a homebuyer's final sales price; and forgivable home rehabilitation loans. This activity also involves homebuyer counseling for approximately 38 first-time homebuyers.



Grantee Activity Number: NSP-3B
Activity Title: Grant Administration-City of San Diego

Activity Type:

Administration

Project Number:

0003

Projected Start Date:

04/21/2009

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

Environmental Assessment:

COMPLETED

Benefit Report Type:

NA

Activity Status:

Under Way

Project Title:

NSP Administration

Projected End Date:

12/31/2013

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 100,000.00

Other Funds Total: \$ 0.00

Total Funds Amount: \$ 100,000.00

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

City of San Diego, Economic Development Division

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
City of San Diego, Economic Development Division	Local Government	\$ 100,000.00

Location Description:

City of San Diego

Activity Description:

NSP grant administrative activities carried out by City of San Diego staff, including: overseeing project and activity budgets; tracking NSP activities and accomplishments; maintaining and updating the City of San Diego's NSP Substantial Amendment and Action Plan as necessary; preparing and submitting Quarterly Performance Reports; reviewing and processing subrecipient requests for reimbursement; drawing NSP funds from the DRGR system; and overseeing and monitoring NSP program and subrecipient operations.



Grantee Activity Number: NSP-4
Activity Title: Redevelop Demo'd/Vacant Properties-Mountain View

Activity Type:
 Rehabilitation/reconstruction of residential structures

Activity Status:
 Completed

Project Number:
 0004

Project Title:
 NSP Eligible Use E

Projected Start Date:
 05/21/2009

Projected End Date:
 12/31/2010

Project Draw Block by HUD:
 Not Blocked

Project Draw Block Date by HUD:

Activity Draw Block by HUD:
 Not Blocked

Activity Draw Block Date by HUD:

Block Drawdown By Grantee:
 Not Blocked

Total Budget: \$ 296,343.62

Other Funds Total: \$ 0.00

National Objective:
 LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Total Funds Amount: \$ 296,343.62

Environmental Assessment:
 COMPLETED

Benefit Report Type:
 Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Renter Households	5			0.00
# of Households	5			0.00

Proposed Accomplishments	Total
# of Multifamily Units	5
# of Housing Units	5
Activity funds eligible for DREF (Ike Only)	
#Units & other green	
#Units deconstructed	
#Sites re-used	
#Units exceeding Energy Star	
#Units with bus/rail access	5
#Low flow showerheads	5
#Low flow toilets	5
#Units with solar panels	



#Dishwashers replaced	
#Clothes washers replaced	5
#Refrigerators replaced	5
#Light fixtures (outdoors) replaced	
#Light Fixtures (indoors) replaced	
#Replaced hot water heaters	5
#Replaced thermostats	
#Efficient AC added/replaced	
#High efficiency heating plants	
#Additional Attic/Roof Insulation	
#Energy Star Replacement Windows	
# of Properties	5

Activity is being carried out by Grantee: **Activity is being carried out through:**

No

Organization carrying out Activity:

San Diego Housing Commission

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
San Diego Housing Commission	Unknown	\$ 296,343.62

Location Description:

One four-unit multi-family rental property called Mountain View Estates with the following unit addresses: 3992 A Ocean View Blvd, San Diego, CA 92113; 3992 B Ocean View Blvd, San Diego, CA 92113; 422 S. 40th Street, San Diego, CA 92113; and 424 S. 40th Street, San Diego, CA 92113.

Activity Description:

The activity involves the redevelopment of demolished or vacant properties into affordable rental housing. An Invitation for Proposals was issued by the San Diego Housing Commission on January 7, 2009, to select a developer to undertake the rehabilitation of the Mountain View Estates apartments, a vacant and blighted four-unit multi-family complex. Upon completion of the rehabilitation, the four (4) apartments will be rented at affordable rents to households earning 50% or less of Area Median Income.



Grantee Activity Number: NSP-2B
Activity Title: Acquisition/Rehabilitation-LMMI

Activity Type:
 Acquisition - general

Activity Status:
 Under Way

Project Number:
 0002

Project Title:
 NSP Eligible Use B

Projected Start Date:
 08/30/2009

Projected End Date:
 07/31/2013

Project Draw Block by HUD:
 Not Blocked

Project Draw Block Date by HUD:

Activity Draw Block by HUD:
 Not Blocked

Activity Draw Block Date by HUD:

Block Drawdown By Grantee:
 Not Blocked

Total Budget: \$ 2,660,917.09

National Objective:
 LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Other Funds Total: \$ 0.00

Environmental Assessment:
 COMPLETED

Total Funds Amount: \$ 2,660,917.09

Benefit Report Type:
 Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Owner Households	11			0.00
# of Households	11			0.00
# of Permanent Jobs Created				0.0

Proposed Accomplishments	Total
# of Singlefamily Units	11
# of Housing Units	11
Total acquisition compensation to owners	
# of Parcels acquired voluntarily	11
# of Parcels acquired by admin settlement	
# of Parcels acquired by condemnation	
# of buildings (non-residential)	
# of Properties	11

Activity is being carried out by Grantee:
 No

Activity is being carried out through:

Organization carrying out Activity:
 San Diego Housing Commission

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
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Location Description:

Various properties within the City of San Diego's areas of greatest need. See City of San Diego's NSP quarterly performance reports for specific property addresses as property acquisition/rehabilitation/resale is completed and properties are occupied by eligible beneficiaries.

Activity Description:

Foreclosed or abandoned single-family homes will be purchased by the San Diego Housing Commission and then resold to eligible low-, moderate-, and middle-income (LMMI) first-time homebuyers. The first-time homebuyers may also be provided financing assistance, including: second trust deed mortgages (30-year, 0% interest) for between 17% and 27% of the final sales price; closing cost assistance grants for 3% of the final sales price; and forgivable home rehabilitation loans. It is anticipated that 11 to 16 homes will be purchased, rehabilitated, and resold.

Action Plan Comments:

- Reviewer - Activity NSP-2 is less than 25% of the grant to serve group below 50% AMI. Other activities will need to fill the remaining 2.5% grant amount for households below 50%.
- Reviewer - This is a technical revision to reflect that activity NSP-2B is underway. Approved 1/13/10 jwy
- Reviewer - Technical revision to increase LH25 activities to reflect full 25% of grant. Approved 3/8/10 jwy
- Reviewer - Technical revision. Approved 3/24/10 jwy
- Reviewer - Data corrections required by HQ completed. Approved 2.2.11 jwy
- Reviewer - Minor technical amendments. Approved 9.13.11 jwy
- Reviewer - The City made following changes:
1) add City of San Diego Economic Development Division as a responsible organization; 2) update national objective and status of NSP-4 activity; 3) split NSP administration activity into two activities ? one for City of San Diego staff NSP administration activities, and one for San Diego Housing Commission (subrecipient) staff NSP administration activities.
- Reviewer - As per city: Technical amendment to the City of San Diego's NSP Action Plan to increase the amount of Estimated PI Funds to include recently received NSP program income and projected NSP program income through 2013 Reviewed and Approved hjb 2/29/2012
- Reviewer - the technical Action Plan amendment to re-open the Financing Mechanism activity to facilitate a draw of program income. hjb 4/11/2012

Reviewer - Minor amendment to change activity status for NSP-1 and NSP-2a to completed. Approved by EOO for CVC.
10/30/13.

Action Plan History

Version	Date
B-08-MN-06-0521 AP#1	12/12/2011
B-08-MN-06-0521 AP#2	03/18/2010
B-08-MN-06-0521 AP#3	04/05/2012
B-08-MN-06-0521 AP#4	11/15/2011
B-08-MN-06-0521 AP#5	02/29/2012
B-08-MN-06-0521 AP#6	04/11/2012
B-08-MN-06-0521 AP#7	10/30/2013

