

ATTACHMENT A:

**CITIZEN
PARTICIPATION
COMMENTS**

FY 2016 Annual Action Plan

Public Comments

Following are the questions and comments received on the Draft Fiscal Year 2016 Annual Action Plan and the responses provided by staff, where warranted. The Draft FY 2016 Annual Action Plan was made available for public review from April 7 through May 6, 2015.

During the public review period, the Draft Fiscal Year 2016 Annual Action Plan was posted online for viewing at the City of San Diego's CDBG Program website:

<http://www.sandiego.gov/cdbg>

During the public review period, hard copies were made available for viewing at the following locations:

- **City Clerk's Office** (202 'C' Street, 2nd Floor, San Diego, CA 92101)
- **CDBG Program Office** (1200 Third Avenue, 14th Floor, San Diego, CA 92101)
- **Central Library** (330 Park Blvd., San Diego, CA 92101)
- **Malcolm X Library** (5148 Market Street, San Diego, CA 92114)
- **San Ysidro Branch Library** (101 West San Ysidro Boulevard, San Diego, CA 92173)
- **Logan Heights Branch Library** (567 South 28th Street, San Diego, CA 92113)
- **City Heights/Weingart Branch Library** (3795 Fairmount Avenue, San Diego, CA 92105)
- **Linda Vista Branch Library** (2160 Ulric Street, San Diego, CA 92111)
- **Jacobs Center for Neighborhood Innovation** (404 Euclid Avenue, San Diego, CA 92114)
- **Bayside Community Center** (2202 Comstock Street, San Diego, CA 92111)

The public was provided the opportunity to send comments via U.S. Mail or hand-deliver to: **City of San Diego/Action Plan Comments | 1200 Third Avenue, Suite 1400 | San Diego, CA 92101** or via email to: cdbg@sandiego.gov.

ORAL COMMENTS

Following are the oral comments provided by members of the public, the City Council and the Consolidated Plan Advisory Board (CPAB) during the public hearings for the Draft FY 2016 Annual Action Plan. Where warranted, the response from staff follows the comment.

APRIL 28, 2015 – CITY COUNCIL HEARING

Council President Pro Tem Marti Emerald

- Confirmed staff would accept public comments through the end of the public review period and directed staff to ensure all public comments would be incorporated into plan prior to its submission to HUD.
- Noted Council had been flexible letting staff bring the Plan to Council during the public review period, rather than following its closure, in order to ensure its timely submittal to HUD.
- Referenced efforts back in 2010 in order to better manage CDBG funds and noted the marked improvements over the last 5 years and recognized the positive role played by the CPAB during the last three.
- Noted the use of funds to helping the neediest residents while also investing in infrastructure in the lowest income neighborhoods.
- Thanked the CPAB and staff for its professionalism and commitment to the public and their patience and compassion.
- Moved item for approval and timely submittal to HUD after the end of the public comment period.

Council President Sherri Lightner

- Noted that while the Public Safety & Livable Neighborhoods City Council Committee recommended staff to bring back the Action Plan to Committee following the closure of the public review period and prior to its docketing on the City Council agenda, Council allowed staff to bypass that step in deference to the HUD deadline in order to ensure the timely submittal of the City's Action Plan.

Councilmember Todd Gloria

- Thanked and gave credit to the CPAB and staff for their work.

- Echoed many of the statements made by Ms. Emerald in terms of improvements to the program over the last few years.
- Mentioned it was his understanding that the City would not fund the same program/facilities repeatedly but rather encourage applicants to use funds to provide seed money to different programs.

Staff response:

Staff noted that it was the intent but applicants do come back at time seeking further funds to improve and/or expand facilities that have been previously funded and also seek funds in order to expand public services that have been funded before.

- Mr. Gloria noted he supports to continue to fund social programs (but City may want to consider giving some additional points during scoring to new applicants) repeatedly such as feeding programs.
- Mr. Gloria stated that capital projects should focus on improvements that are client serving and the City should try to discourage projects that intend to piecemeal different parts of a larger capital projects.
- Mr. Gloria also noted efforts should be made to encourage agencies that address the same needs to reduce overhead expenses and collaborate in order to increase efficiencies. He stated perhaps this should be a consideration of the applications scoring metrics.

Councilmember Mark Kersey

- Noted he was pleased to see over \$5 million allocated to different public infrastructure projects and mentioned that reflected the intent of policies outlined in the Consolidated Plan.
- Thanked the CPAB and staff for their work.

Councilmember Lorie Zapf

- Ms. Zapf asked how much funding was available for allocation to different agencies under the CDBG competitive grant monies reserved for public services including feeding programs. She also inquired as to how many applications were funded.

Staff response:

Staff noted approximately \$300,000 were available for allocation during FY 2016 given the portion of public service CDBG funding set aside for homeless services and programs in accordance with Council policies.

Ms. Granowitz also noted that only three applications were funded under the Public Services category given the limited funds and only one of those provided funds for a feeding program.

- Ms. Zapf noted that perhaps the policies that apply to these funds should be revisited given the constraints.
- Ms. Zapf seconded the motion to approve the Action Plan.

Martha Welch (Submitted a speaker's slip in opposition)

- Ms. Welch questioned the fact that she did not find any information on HUD funding of housing during FY 2014
- Ms. Welch mentioned her support for Townspeople's housing programs and her disappointment in the re-housing shelter being closed down.
- Ms. Welch stated that she would prefer to see affordable single family housing units rather than condo rehabilitation projects.

Vicki Granowitz, CPAB Chair (Submitted a speaker's slip in favor)

- Ms. Granowitz thanked the City Council for their support and their flexibility on docketing the item.
- Ms. Granowitz stated that she thought the process has improved tremendously over the years, but there are still issues that should be noted
- She stated consideration should be given as to whether certain projects/programs and whether additions and expansions to the same facilities should be funded year after year
- She noted Council may consider awarded agencies to "sit out" for a year after submitting successful applications as other jurisdictions do
- Noted that feeding programs are in great demand as shown given the number of submitted applications under public services
- Ms. Granowitz also affirmed the applicants showed a substantial amount of leveraged funds for their projects.

Richard Thesing, CPAB member (Submitted a speaker's slip in favor)

- The City Clerk noted that Mr. Thesing submitted a speaker slip in favor but stated in the slip that he did not wish to speak.

Kathryn Rhodes (Submitted a speaker's slip in favor)

- Ms. Rhodes mentioned a letter from a HUD auditor regarding the former redevelopment agencies from Los Angeles and San Francisco, mentioning specifically the City of San Diego's former [Redevelopment Agency and City of San Diego CDBG Debt Repayment Agreement](#).

Staff response:

City of San Diego Redevelopment Agency (RDA): The former RDA had an agreement with the City to repay \$78.8 million in CDBG funds over a ten-year period beginning in FY 2010. After the dissolution of redevelopment agencies in California, the Department of Finance of the State of California (DOF) was given approval authority over the [Recognized Obligation Payment Schedules](#) (ROPS) submitted by Successor Agencies of the former RDAs. The City of San Diego Successor Agency to the former RDA is responsible for submitting to DOF a ROPS delineating the enforceable obligations of the former RDA every six months.

During the submittal of the initial ROPSs, DOF recognized the repayment of the CDBG debt to the City; however, the agreement was later no longer recognized as an enforceable obligation. DOF denied the HUD/OIG Settlement Agreement on the [Recognized Obligation Payment Schedule \(ROPS\) 13-14B](#) for the period of January 1, 2014 through June 30, 2014. In their [letter to William Fulton, on November 8, 2013](#) pertaining to their review of that subject ROPS, they stated "Item Nos. 41 through 46, 82, 93, 95 and 96 –Settlement, Office of the Inspector General Audits, Various Project Areas totaling \$66,733,600."

Based on Finance's Other Funds and Accounts Due Diligence Review Meet and Confer Determination Letter dated October 31, 2013, Finance concluded that these items are not considered enforceable obligations as they were in connection with amounts loaned by the City of San Diego (City) to the former Redevelopment Agency (RDA). The letter states "Pursuant to HSC Section 34171 (d) (2), these items are not enforceable obligations and are not eligible for RPTTF funding on this ROPS." Since then, Successor Agency staff has been working with HUD and the DOF to resolve this issue.

In accordance with the agreement annual payment schedule, the City's FY 2016 CDBG allocation budget would have included \$6,513,700 in CDBG program income. Given the agreement is not currently recognized by DOF as an enforceable obligation, the FY 2016 Action Plan CDBG budget does not include \$6,513,700. The remaining CDBG program income expected in accordance with the agreement for the duration of the Consolidated Plan period (through and including FY 2019) is also currently in question.

- Ms. Rhodes would like the AAP to include the LOW-MODERATE INCOME HOUSING fund amount.

Staff response:

LOW-MODERATE INCOME HOUSING (LMIH): This fund was established to account for affordable housing assets transferred from the Successor Agency to the Successor Housing Entity, which is the City, as required by California Health and Safety Code Section 34176(d), due to the dissolution of the Redevelopment Agency. This fund will also account for any future revenues generated from the housing assets.

On April 6, 2015, the City Council, acting on behalf of the City as housing successor to the former Redevelopment Agency, adopted a resolution authorizing and directing the City Comptroller to transfer unencumbered housing funds in the estimated range of \$12.25-\$12.61 million to the Successor Agency, as required by the California Department of Finance (DOF). For further details inclusive of the Staff Report, please refer to items 202a and 202b of the City Council Agenda for the meeting of April 6, 2015, available at <http://dockets.sandiego.gov/sirepub/pubmtgframe.aspx?meetid=2633&doctype=Agenda>).

- Ms. Rhodes would like a table comparing housing costs across various types. She mentioned that the cost of constructing a new unit is much higher than renovating an existing unit. She would like the table to include construction versus acquisition costs versus annual rents that are subsidized.

Staff response:

This comment refers to the use of HOME funds identified in the Action Plan. HOME monies can be used to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. The use of HOME funds (as well as those of the CDBG,

ESG and HOPWA programs) is subject to oversight by the Office of Management and Budget (OMB).

OMB Circular A-87 (2 CFR part 225) provides principles used to establish allowable costs incurred by state and local governments under grants, cost-reimbursement contracts and other agreements with the Federal Government. Subawards of Federal funds by state or local governments to other entities are also subject to the Federal cost principles applicable to the specific type of subgrantee.

Further, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as outlined in 2 CFR part 200, apply to Federal Awards made by the Department of Housing and Urban Development to non-Federal entities.

In order to be allowable under Federal awards, expenditures of such funds must be necessary and reasonable. In accordance with 2 CFR § 200.404:

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when the non-Federal entity is predominantly federally-funded. In determining reasonableness of a given cost, consideration must be given to:

(a) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-Federal entity or the proper and efficient performance of the Federal award.

(b) The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; Federal, state and other laws and regulations; and terms and conditions of the Federal award.

(c) Market prices for comparable goods or services for the geographic area.

(d) Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the non-Federal entity, its employees, where applicable its students or membership, the public at large, and the Federal government.

(e) Whether the non-Federal entity significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost.

Please direct any questions about expenditures related to particular HOME projects to the San Diego Housing Commission.

- Ms. Rhodes also mentioned that unsheltered homeless people have increased 12% this year.

APRIL 15, 2015 – PUBLIC SAFETY & LIVABLE NEIGHBORHOODS

Council President Pro Tem Marti Emerald

- Recognized the completion of the FY2016 Action Plan with the exception of the public comments section that is open until May 6th.
- Addressed the approval of the City of San Diego's FY2016 Action Plan during the meeting and directed staff to coordinate final revisions to ensure that the approved activities and public comments are included in the report before its submittal to HUD.

Councilmember Chris Cate

- Stated his appreciation for the work of staff and stated with approval for the Action Plan to move forward with his recommendation.

Councilmember Todd Gloria

- Acknowledged the work done by staff in continuing to improve the CDBG process.

April 8, 2015 – Consolidated Plan Advisory Board Meeting

Joyce Abrams, CPAB Member

- Ms. Abrams inquired whether the interim housing is open year-round and whether supportive services are offered.

Staff response: Housing Commission staff affirmed that the facilities will be open year-round and that supportive services are available on-site with the exception of the rapid re-housing project.

Richard Thesing, CPAB Member

- Mr. Thesing asked about the annual spending per capita on homeless individuals, whether interim housing funding includes meals.

Staff response: Housing Commission staff responded and stated that approximately \$500 is spent per person and meal services are included in the facilities.

Valerie Brown, CPAB Member

- Ms. Brown made inquiries regarding what the specified HOME dollar amount actually translates to in homeownership and rental housing terms.

Staff response: Housing Commission staff stated that between 19 and 24 families will be assisted via the \$1 million in homeownership program funds. She also noted that the rental housing program is expected to produce 50 units in FY16.

Richard Thesing, CPAB Member

- Mr. Thesing thanked staff for the presentation given in his community of Tierrasanta.

Nohelia Patel, CPAB Member

- Ms. Patel expressed interest in the reason for the decline in HOME funds since 2004.

Staff response: HUD Programs Administration staff clarified that the cuts are congressionally-mandated and not a result of HUD as suggested, noting that the HOME program has borne the brunt of the cuts.

Vicki Granowitz, CPAB Chair

- Ms. Granowitz praised the presentations and lamented the loss of funding for necessary community projects.

Written Comments

Ms. Katheryn Rhodes and Mr. Conrad Hartsell, MD, submitted a letter via email dated April 28, 2015, addressed to the City of San Diego and the Housing Authority which contained 6 statements/questions as well as supporting documentation. The 6 highlighted statements under which the authors introduced subsequent statements and questions in said letter are copied below and staff responses follow. The complete letter is incorporated at the end of said statements and responses.

Question 1: Lack of FY-2016 Budget for the Successor Housing Entity's LMIHAF (LMIH Asset Fund –added for clarity) controlled by Civic San Diego staff in Fund No. 200706.

Staff response (as noted above under the April 28, 2015 – City Council Hearing heading):

LOW-MODERATE INCOME HOUSING (LMIH): This fund was established to account for affordable housing assets transferred from the Successor Agency to the Successor Housing Entity, which is the City, as required by California Health and Safety Code Section 34176(d), due to the dissolution of the Redevelopment Agency. This fund will also account for any future revenues generated from the housing assets. The latest action taken by the City in relation to the LMIH is described below.

On April 6, 2015, the City Council, acting on behalf of the City as housing successor to the former Redevelopment Agency, adopted a resolution authorizing and directing the City Comptroller to transfer unencumbered housing funds in the estimated range of \$12.25-\$12.61 million to the Successor Agency, as required by the California Department of Finance (DOF). For further details inclusive of the Staff Report, please refer to items 202a and 202b of the City Council Agenda for the meeting of April 6, 2015, available at <http://dockets.sandiego.gov/sirepub/pubmtgframe.aspx?meetid=2633&doctype=Agenda>).

Please note that [Civic San Diego](#) manages the LMIH funds on behalf of the Successor Housing Entity as its consultant and working with the City's Comptroller's Office.

Please direct further questions to Civic San Diego. Senior staff members are the primary points of contact for department activities. For contact information, see <http://civicsd.com/about-us/senior-staff.html>.

Question 2: Homeless Emergency Shelter Crisis and Suspension of CEQA and Conditional Use Permit (CUP) Requirements from Government Code 8698 regarding Homeless Issues.

Staff response:

As stated in Chapter 5 of the [Analysis of Impediments](#), the City of San Diego has begun a process to update and amend its Land Development Code to address emergency shelter and supportive housing zoning. The public input process for the code update will begin in the latter half of 2015 and throughout 2016. The amendment process is anticipated to reach conclusion during the 2016 calendar year.

It is also worth noting that on April 15, 2015, the San Diego Housing Commission released an informational report called “Housing First San Diego – the San Diego Housing Commission’s Homelessness Action Plan” to the City of San Diego’s Public Safety and Livable Neighborhoods Committee. A copy of the report can be found here:

http://docs.sandiego.gov/councilcomm_agendas_attach/2015/psln_150415_4.pdf

Hard copies of the Housing First San Diego – the San Diego Housing Commission’s Homelessness Action Plan are available for review during business hours 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. Complete docket materials are available on the San Diego Housing Commission’s website at www.sdhc.org.

Specific questions related to the Homelessness Action Plan may be directed to the San Diego Housing Commission.

Question 3: HUD’s Interest in the Successor Agency (SA) to the former Redevelopment Agency (RDA) and the Successor Housing Entity’s LMIHAF to Minimize HUD’s Risk.

Staff response:

Refer to specifics in response to Question 1 above. Please direct further questions about the LMIH Assets Fund (LMIHAF) to Civic San Diego. Senior staff members are the primary points of contact for department activities and their current status. For contact information, see <http://civicsd.com/about-us/senior-staff.html>.

Question 4: Federal HUD HEARTH Goals of Eliminating Homelessness of Veterans and Chronic Homeless by December 31, 2015 [247 days], and Ending All Homeless including Families and Children by 2020.

The San Diego Housing Commission released on April 15, 2015 an informational report called “Housing First San Diego – the San Diego Housing Commission’s Homelessness Action Plan” to the City of San Diego’s Public Safety and Livable Neighborhoods Committee. A copy of the report can be found here:

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Hard copies of the Housing First San Diego – the San Diego Housing Commission’s Homelessness Action Plan are available for review during business hours 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. Complete docket materials are available on the San Diego Housing Commission’s website at www.sdhc.org.

Specific questions related to the Homelessness Action Plan may be directed to the San Diego Housing Commission.

Question 5: Housing Element of the City of San Diego’s General Plan Reporting requirements on SANDAG’s Regional Housing Need Assessment (RHNA).

Staff response:

The 2014 Annual Housing Element Progress Report will be released to the public by June 1st 2015. It will be posted online at:

<http://www.sandiego.gov/planning/genplan/documents/index.shtml>.

The Progress Report will include information containing the number of units permitted/built for each of the RHNA categories for each year of this current cycle, as well as a total number of units.

Please direct further question about the City General Plan to:

*Planning Department
1222 First Avenue, MS 413
San Diego, CA 92101
Phone: (619) 235-5200
Email: planning@sandiego.gov*

Question 6: San Diego Housing Commission (SDHC) FY 2016 Homeless Annual Action Plan (AAP).

As noted above, the San Diego Housing Commission released on April 15, 2015 an informational report called “Housing First San Diego – the San Diego Housing Commission’s Homelessness Action Plan” to the City of San Diego’s Public Safety and Livable Neighborhoods Committee. A copy of the report can be found here:

http://docs.sandiego.gov/councilcomm_agendas_attach/2015/psln_150415_4.pdf

Hard copies of the Housing First San Diego – the San Diego Housing Commission’s Homelessness Action Plan are available for review during business hours 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. Complete docket materials are available on the San Diego Housing Commission’s website at www.sdhc.org.

Specific questions related to the plan and actions to address homeless and their status may be directed to the San Diego Housing Commission.

April 28, 2015-Revised

City of San Diego and Housing Authority (HA)
202 C Street
San Diego, California 92101

Subject: San Diego City Council Hearing of Tuesday April 28, 2015. Items 331, 332, and 333.
Item 331 HA-1 SDHC Homeless Shelter and Service Programs First Amendment to 2014 MOU <http://tinyurl.com/20150428a>
Item 332 – FY-2016 HUD Consolidated Plan (CP) and Annual Action Plan (AAP) <http://tinyurl.com/20150428b>
Item 333 – FY-2016 HUD Impediments to Fair Housing Choice. <http://tinyurl.com/20150428c>

Dear City Council and Housing Authority (HA):

Please do not approved today's Agenda Items 331 HA-1, 332, and 333 until changes are made to the documents to include the missing FY-2016 Budget issues for Infrastructure, Capital Improvement Projects (CIP) and Affordable Housing projects managed by Civic San Diego staff funded by the Successor Housing Entity's Low Moderate Income Housing Asset Fund (LMIHAF) and the Successor Agency (SA) Revenues and Expenses. FY-2016 Budgets for the LMIHAF and the Successor Agency (SA) Projects do not exist, and have never existed since the end of Redevelopment in FY-2011. For Fiscal Year FY-2016, Civic San Diego only has an Administrative Budget for the upcoming actions of the Successor Agency (SA) and the Low Moderate Income Housing Asset Fund (LMIHAF), not for projects funding with assets and new ongoing revenue. For Item 332 please change the Title of the Annual Action Plan to the "Consolidated Plant (CP) and Annual Action Plan (AAP)."

Since 2009, we have given feedback and questions to be answered by staff for the annual HUD CAPERs, Consolidated Plans (CP), Annual Action Plans (AAP), and Impediments to Fair Housing Choice that have never been addressed. HUD Guidelines requires all outstanding questions to be answered, including coordination with the private Civic San Diego for the LMIHAF and Successor Agency (SA) funded Projects and Expenditures.

1. Lack of FY-2016 Budget for the Successor Housing Entity's LMIHAF controlled by Civic San Diego staff in Fund No. 200706.

Questions: What specific projects for Housing and Urban Development (HUD) will be funding using the \$277 million in LMIHAF assets, including \$28 million in Cash Balances identified in the FY-2014 Comprehensive Annual Financial Report (CAFR)? A detailed list of specific projects and funding allocations for each proposed project does not exist. How much money has been collected in new LMIHAF Revenue so far in FY-2015? How much money has been Expended in the LMIHAF so far in FY-2015? How much Revenue is expected in the LMIHAF for FY-2016? What is the expected Cash Beginning Balance for the LMIHAF for the FY-2016 Budget? How much Negative Arbitrage costs have been accumulated since 2010 on Successor Housing Entity's Housing Bonds? What is the amount of any LMIHAF excess surplus, the amount of time that the successor housing entity has had excess surplus, and the housing successor's plan for eliminating the excess surplus? Did Civic San Diego lose \$11.9 million of LMIHAF Cash due to a failure to spend money in a timely manner? What are Civic San Diego plans to spend all Reserve and Other Funds Accounts so additional LMIHAF will not be lost in subsequent ROPS?

Since the Neil Good Day Center (NGDC) structure was built using former Redevelopment Agency (RDA) 20% Set-Aside Tax Increment (TI) funding, why is the NGDC not identified as an Asset of the LMIHAF, with the requirement to keep the building in working order? How much money from the LMIHAF is available for the \$1.5 million in needed upgrade to the NGDC? When will the money for the NGDC be available from the LMIHAF?

If the SDHC is in charge of Homeless services, why is the LMIHAF being controlled by Civic San Diego staff instead of SDHC staff? Why are there two duplicate Administrations for Affordable Housing and Homeless issues with Civic San Diego and the SDHC? Is this a Best Practice or just Politics? Should the \$277 million in LMIHAF assets controlled by Civic San Diego staff be moved to the Housing Trust Fund (HTF) controlled by the SDHC for immediate use for the homeless?

References: http://www.sandiego.gov/planning/genplan/pdf/sb_341_lmihaf_report_for_fy14.pdf
<http://tinyurl.com/20150406b>

Through existing City Council Policies, Budgets are not needed for Funds Balances with no Employees. However based on unknown criteria, some, but not all, CIP Fund Balances with no Employees are included in the FY-2016 Budget. Both the SA and LMIHAF have Zero Employees, therefore no FY-2016 Budgets for Projects, no Quarterly Monitoring Report, no Accountability, zero Debt Management analysis, and no list of Capital Improvement Projects (CIP) or Affordable Housing sites that will be built using Existing Reserve and Other Funds Accounts with Unknown Untapped Balances. In addition, Civic San Diego staff has documented that all outstanding issues involving the Successor Agency and the Recognized Obligation Payment Schedule (ROPS) will be finalized by the State DOF sometime this year before December 31, 2015. Therefore, all ongoing SA and LMIHAF issues should be addressed.

Negative Arbitrage Debt costs are also created by Hoarding pre-2010 Housing Bond Proceeds and Cash Reserves. While refusing to spend money on projects, and stated the SA and the LMIHAF are broke. With no mention of the \$27 million in new LMIHAF Revenue as documented in the FY-2014 Comprehensive Annual Financial Report (CAFR).

The LMIHAF and the Successor Agency (SA) are both Restricted Funds that have no Employees. Therefore through a city-created loophole, the annual Budget, Monitoring, and Debt Management reports have failed to include the LMIHAF and Successor Agency Revenues and Expenses FY-2011. The lack of Budgets, Monitoring Reports, and Debt Management analysis has resulted in Redevelopment Property Tax Trust Fund (RPPTTF) Residual Distributions to the Taxing Agency. With the City of San Diego's General Fund receiving 17.5 cents on the dollar instead of building the required Affordable Housing.

For example see Page 84 of the IBA Report No. 15-16 FY-2016 Proposed Budget Review dated April 27, 2015, for IBA comments on the Downtown Fire Station No. 2 Bayside, which should include money from the Successor Agency (SA) through ROPS Line Items 245-246, 297-298, 401-402, 586-589, and 612-614.

"The IBA recently learned that Civic San Diego's updated total project cost for the Bayside Fire Station is \$19.9 million. We have concerns that funding identified for construction of the Bayside Fire Station in the FY 2016 Proposed Budget will not fully support the total project cost and that additional funding of up to \$6.9 million will be necessary in FY 2016 or FY2017. We recommend that the City Council request further clarification from the Executive Branch on its plans to fund construction of the Bayside Fire Station."

This same lack of a FY-2016 Budget for the Successor Agency for Fire Station No. 2 Bayside, may also potentially put downtown's East Village Green park in limbo. Successor Agency funding for East Village Green is included in ROPS Line Item 208-211, 261, 266, 272, 278, 285-286, 290, 305, and 573-574, but is missing from all Budget documents.

Civic San Diego staff, routinely bypasses their Board of Directors, and gives the City Council the impression the issue of losing \$11.9 million in Cash was vetted and there are no solutions. And it is the Department of Finance's (DOF) fault. On April 6, 2015 Item 202, Civic San Diego transferred \$11.9 million to the County to get back 17.5 cents on the dollar to the City's General Fund. Fifty (50%) Percent of the LMIHAF is for the Homeless and Extremely Low Income population.

Health and Safety Code Section 34176.1 (f) required a FY-2014 LMIHAF Financial Audit in accordance with Health and Safety Code requirement including information on: homeless prevention and rapid rehousing services; the value of loans and grants receivable; A description of any transfers made in the previous fiscal year and, if still unencumbered, in earlier fiscal years and a description of and status update on any project for which transferred funds have been or will be expended if that project has not yet been placed in service; and the amount of any excess surplus, the amount of time that the successor agency has had excess surplus, and the housing successor's plan for eliminating the excess surplus.

Please see the attached Appendix D for Excerpts from the incomplete SB-341 Annual Report on the Low-Moderate Housing Fund for FY-2014. As shown on Appendix Page D-2 the outstanding questions for Excess Surplus will not be analyzed until FY-2018. This is unacceptable. This report should be modified and all LMIHAF audit questions answered including Completion dates and specific funding allocations.

According to online Civic San Diego documents for the NTC Homeless Agreement, the process to Use existing LMIHAF immediately in FY-2015 and FY-2016 includes the following:

The Council makes the following Findings of Benefit regarding the proposed use of low and moderate income tax increment from the Successor Housing Entity to the former Redevelopment Agency for the Project: a. The use of low and moderate income housing funds LMIHAF will improve the supply of very low income housing within the City of San Diego, which pursuant to California Health and Safety Code Section 33334.6(a) is a direct benefit to the project area in accomplishing the project area's objectives whether or not the project provides for housing within the project area. b. The Successor Housing Entity will benefit from the funding of this Project as a partial fulfillment of the Homeless Assistance Agreement. Approving the Grant Agreement, including all attachments and exhibits thereto; Authorizing the Mayor, or designee, to execute the Grant Agreement, and take all necessary actions and execute all necessary documents to carry out the Grant Agreement; Authorizing the Chief Financial Officer, as delegated, to appropriate and expend an amount not to exceed \$xxx for the Grant pursuant to the Grant Agreement from Fund No. 200706 per Item xxx.

2. Homeless Emergency Shelter Crisis and Suspension of CEQA and Conditional Use Permit (CUP) Requirements from Government Code 8698 regarding Homeless Issues.

Questions: In order to remove Impediments to Fair Housing Choice, why is the City of San Diego still requiring Conditional Use Permits (CUPs) for the new Saint Vincent de Paul (SVDP) Day Center, Connections Housing, and the Rescue Mission? When the issue of Homeless Emergency Shelter and Services is Ministerial with the Shelter Crisis announcement, why are Discretionary CUPs through CEQA still required by staff? Does the Homeless Emergency Shelter Crisis get rid of the need for CUPs? When will the City start allowing Homeless Emergency Shelter and Transitional Housing Ministerial by right in areas identified in Figures 1 and 2 of the Housing Element of the General Plan? What is the City Attorney's legal opinion on the matter?

In 2013, the City of San Diego voted to declare a Homeless Emergency Shelter Crisis Citywide. See Appendix A for Government Code Section 8698.1, which states in part:

“Upon a declaration of a shelter crisis, the following provisions shall apply during the period of the emergency. (a) The political subdivision shall be immune from liability for ordinary negligence in the provision of emergency housing... (b) The provisions of any state or local regulatory statute, regulation, or ordinance prescribing standards of housing, health, or safety shall be suspended to the extent that strict compliance would in any way prevent, hinder, or delay the mitigation of the effects of the shelter crisis.”

The lack of following Government Code 8698 is a Major Impediment to Fair Housing Choice. We recommend that the City make it well known that CUPs are not required for Homeless issues during the Homeless Emergency Shelter Crisis declaration period.

3. HUD's Interest in the Successor Agency (SA) to the former Redevelopment Agency (RDA) and the Successor Housing Entity's LMIHAF to Minimize HUD's Risk.

Questions: Did the Department of Finance (DOF) not allow the Repayment of \$228 million in HUD Office of Inspector General (OIG) Audit Debt Repayment to Community Development Block Program Income from Item 203 of the City Council hearing of June 21, 2010 due to lack of proper legally binding and enforceable paperwork? Did the DOF determine that Civic San Diego-controlled Successor Agency to the former RDA Agreements were either missing, unsigned, incomplete, and Unexecuted? Since the \$78 million phase 1 Repayment Agreement has been violated, will the City create a new Repayment Agreement for the Full \$228 million in HUD OIG Audit Debt that will be acceptable to DOF staff?

References: <http://tinyurl.com/20100621a> <http://tinyurl.com/20100621> <http://tinyurl.com/20140728a>
<https://www.hudoig.gov/sites/default/files/documents/2014-LA-0001.pdf>

See Appendix B for excerpts from the February 28, 2014 HUD OIG Audit Report Number: 2014-LA-0001 that confirms that HUD has a vested interest in all issues related to the Successor Agency to the former RDA and the LMIHAF.

4. Federal HUD HEARTH Goals of Eliminating Homelessness of Veterans and Chronic Homeless by December 31, 2015 [247 days], and Ending All Homeless including Families and Children by 2020.

Questions: Where is the Plan, and what are the identified Financing and funding requirements for the 2010 City of San Diego Five-Year Plan to end Homelessness amongst Veteran and Chronic Homeless by 2015, and the Ten-Year Plan to ending all Homeless within the City of San Diego? How many Housing Units for Homeless San Diegans are required to meet HUD HEARTH Act goals? How many Housing units for the Homeless have been constructed since 2010? Why are the January 2015 San Diego Regional Taskforce on the Homeless Point-in-Time (PIT) numbers not included in the Consolidated Plan (CP) and Annual Action Plan (AAP)? When will the \$28 million in LMIHAF Cash identified in the FY-2014 CAFR be available, and what projects are planned in FY-2016? Why has the Unsheltered Homeless population in San Diego increase +12%, and the Downtown San Diego homeless increased 25.8%? Does the City consider the dramatic increase in the Homeless population a failure of existing Policy? There are still 631 Unsheltered Homeless Veterans in San Diego County; how many Unsheltered Veterans exist within City Limits and what is the plan to House them in the next 247 days? How many Chronically Homeless San Diegans exist in City limits and what is the plan to house them? Why has the City failed to enforce the 1992 Agreement for Cooperation between the City and County for Tax Sharing payments for the six vulnerable populations including children, seniors, mentally ill, drug and alcohol, returning felons, and general welfare of the Homeless? Since 1992, how much money in RDA and SA Tax Sharing allocations has been collected by the County? How much cash in Tax Sharing Payments have been used for the 6 identified vulnerable populations? Where is the required annual plans from Civic San Diego for use of 40% of the County's Tax Sharing Payments?

See Appendix C for excerpts from the San Diego RTFH January 2015 Point-in-Time (PIT). Page 45 of the FY-2016 Annual Action Plan (AAP) states that the Plan Goals include ending chronic homelessness in five years, and all homeless within ten years. However the AAP fails to mention that the HEARTH goals started in 2010, and there is only 247 days left to house all the Unsheltered Veterans and Chronically Homeless individuals. To prevent misinterpretation of the HEARTH Act, Page 45 of the AAP should be change to reflect the actual upcoming deadlines to stop confusion and confirm that the five-year plan to end Chronic and Veterans Homeless in San Diego ends on December 31, 2015.

**Table 1 - San Diego Regional Task Force on the Homeless (RTFHSD)
January 2015 PIT results for the City of San Diego.**

	Sheltered				Unsheltered					
City of SD	ES	SH	TH	Total	Indiv	V*	H*	Total	Total	% of Total
2015	889	43	1,841	2,773	1,372	543	248	2,765	5,538	64.9%
2014				2,731				2,468	5,199	61.1%

5. Housing Element of the City of San Diego's General Plan Reporting requirements on SANDAG's Regional Housing Need Assessment (RHNA).

Questions: What is the status of the City of San Diego compliance with the Housing Element RHNA goals? Does the Calendar Year CY-2014 RHNA General Plan Progress Report exist? What projects were completed in CY-2014? What projects have or will be completed in CY-2015? What are the City's plans to meet the Extremely Low, Very Low, Low, and Moderate RHNA goals?

References: <http://www.sandiego.gov/planning/genplan/documents/index.shtml>
<http://www.sandiego.gov/planning/pdf/2012/heu1handout120309.pdf>
<http://www.sandiego.gov/planning/genplan/heu/pdf/agenda/2012/wkshop120726.pdf>

The latest SANDAG and City's Regional Housing Needs Assessment (RHNA) for the 11 year period from January 1, 2010 to December 31, 2020 and the City's Housing Element of our General Plan requires the City of San Diego to build 88,096 housing units over 11 years or an average of 8,009 Housing Units per year. The breakdown is shown below:

- Very Low Income: Total 21,997 or 2,000 Average Housing Units per year.
- Low Income: Total 16,703 or 1,518 Average Housing Units per year.
- Moderate Income: Total 15,462 or 1,406 Average Housing Units per year.
- Above Moderate Income: 33,954 or 3,087 Average Housing Units per year.

The Housing Element of the City's General Plan Progress Reports is only available for CY-2009 to CY-2013. CY-2014 RHNA goals have not been documented. Therefore only 3 years (CY-2011 to CY-2013) of the 11 year (CY-2011 to CY-2020) of evidence exists online. The results are as follows:

A Total of 16,192 Actual Housing Units were built over 3 Year (CY-2011 to CY-2013).

Very Low Income: Total 754 Actual of 5,999 RHNA Goal = 12.6%.

Low Income: Total 996 Actual of 4,555 RHNA Goal = 22%.

Moderate Income: Total 0 Actual of 4,217 RHNA Goal = 0%

Above Moderate Income 14,442 Actual of 9,260 RHNA Goal = 156%

6. San Diego Housing Commission (SDHC) FY-2016 Homeless Annual Action Plan (AAP).

Questions: Is the cost range for construction of new Affordable Housing Apartment Units varying from \$304,000 to \$331,000 per unit excessive and/or sustainable? How many flexible HUD HOME-funded Tenant Base Rental Assistance (TBRA) Homeless Vouchers have been issued per year by the SDHC since HUD added flexibility to the TBRA program in 2013, specifically to meet the goal of ending Veterans and Chronic Homeless by the 2015 deadline? What is the holdup to using HUD HOME TBRA immediately? Does the City of San Diego acknowledge the net loss of 350 Seasonal Emergency Shelter Beds through closing down of the two Winter Shelter with the replacement for year-round Interim Housing through SVDP's Paul Mirabel Center (PMC)?

References: <http://tinyurl.com/20140818>

The FY-2016 SDHC Homeless Action Plan documents new Affordable Housing projects Completed and Acquired this year, and ongoing annual Homeless Housing Vouchers allocations and are summarized in the following Table.

Table 2 – SDHC FY-2016 Homeless Action Plan Summary.

PROJECT NAME:	Project Type	Total Costs	Affordable Units	Per Unit Cost
Imperial Apartments at 1435 Imperial Avenue, East Village, Downtown San Diego	New Construction	\$20.52 million	62	\$331,000
Celadon at Ninth and Broadway East Village, Downtown San Diego	New Construction	\$76 million	250	\$304,000
Village North Senior Garden Apartments 7720 Belden Street - Clairemont Mesa	Apartment Acquisition	\$14,775,000	120	\$123,125
Hotel Churchill SRO Rehab and Renovation, 827 C Street, Downtown San Diego	Rehab and Renovation	\$20,596,409	72	\$286,861
2010-2013 HUD Sponsored-Base Rental Housing Vouchers Connections and SVDP	HUD Rental Vouchers	\$3,026,698	401	\$7,548 Rental Assistance
HUD Project-Based Housing Vouchers Celadon (76); Alpha Square (76); Atmosphere (51); Churchill (72); Other (67)	HUD Rental Vouchers	\$3,381,696	342	\$9,888 Rental Assistance
HUD Veterans Affairs Supported Housing (VASH) Vouchers since 2008	HUD VASH Vouchers	\$7,264,776	842	\$8,628 Rental Assistance
SDHC Affordable Rental Housing Vouchers for Homeless San Diegans	SDHC Vouchers	\$348,000	25	\$13,920 Rental Assistance

There are many immediate Homeless and Neighborhood Infrastructure funding solutions within the City of San Diego related to HUD's new 2013 HOME funded Tenant-Based Rental Assistance (TBRA) Voucher program, the Reinstatement of HUD OIG Audit Successor Agency (SA) Long-Term Debt subsequent to the December 2, 2013 Finding of Completion (FOC) from the Department of Finance (DOF); upholding the Successor Agency's 2000 NTC Site Purchase Cooperation Agreement; the June 21, 2010 acknowledgement of \$228 million HUD OIG Audit Debt for Program Income to the local CDBG program; and New Market Tax Credits (NMTC). New Effective 02/18/2014 - H&S 34191.4 allows for Reinstatement of Debts previously denied by the DOF after the December 2, 2013 FOC.

The TBRA Vouchers are a brand new form of Federal HUD HOME Housing Vouchers for Homeless through the San Diego Housing Commission (SDHC). Since the inception of TBRA HOME funding, the County of San Diego Consortium has issued over 375 TBRA Housing Vouchers, mainly for graduating 18-year old Foster Youths and Family Reunification programs. In contrast, the City of San Diego has issued Zero (0) TBRA Housing Vouchers in the same 18-month period. The HUD HOME TBRA program has not been implemented in the City of San Diego as intended to meet the Federal HUD goals of ending Veterans and Chronic Homeless by the December 31, 2015 deadline.

If you have any questions regarding our ongoing and outstanding concerns, please do not hesitate to contact us.

Regards,

Katheryn Rhodes and Conrad Hartsell MD
371 San Fernando Street, San Diego, California 92106
619-523-4350 rhodes@laplayaheritage.com

Katheryn Rhodes

rhodes@laplayaheritage.com 619-523-4350 Notes on Shelter Crisis meaning.

ADDITIONAL INFO ON SHELTER CRISIS AND GOVERNMENT CODE.

http://www.huffingtonpost.com/2012/02/09/californias-homeless-crisis_n_1243223.html

http://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=1.&title=2.&part=&chapter=7.8.&article=

GOVERNMENT CODE - GOV

TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000 - 22980] (*Title 2 enacted by Stats. 1943, Ch. 134.)*

DIVISION 1. GENERAL [8000 - 8899.24] (*Division 1 enacted by Stats. 1943, Ch. 134.)*

CHAPTER 7.8. Shelter Crisis [8698 - 8698.2] (*Chapter 7.8 added by Stats. 1987, Ch. 1116, Sec. 2.)*

8698.

For purposes of this chapter, the following definitions shall apply:

- (a) "Political subdivision" includes the state, any city, city and county, county, special district, or school district or public agency authorized by law.
- (b) "Governing body" means the following:
 - (1) The Governor for the state.
 - (2) The legislative body for a city or city and county.
 - (3) The board of supervisors for a county.
 - (4) The governing board or board of trustees for a district or other public agency.
 - (5) An official designated by ordinance or resolution adopted by a governing body, as defined in paragraph (2), (3), or (4).
- (c) "Public facility" means any facility of a political subdivision including parks, schools, and vacant or underutilized facilities which are owned, operated, leased, or maintained, or any combination thereof, by the political subdivision through money derived by taxation or assessment.
- (d) "Declaration of a shelter crisis" means the duly proclaimed existence of a situation in which a significant number of persons are without the ability to obtain shelter, resulting in a threat to their health and safety.

(*Amended by Stats. 1988, Ch. 748, Sec. 1.*)

8698.1.

Upon a declaration of a shelter crisis, the following provisions shall apply during the period of the emergency.

- (a) The political subdivision shall be immune from liability for ordinary negligence in the provision of emergency housing pursuant to Section 8698.2. This limitation of liability shall apply only to conditions, acts, or omissions directly related to, and which would not occur but for, the provision of emergency housing. This section does not limit liability for grossly negligent, reckless, or intentional conduct which causes injury.
- (b) The provisions of any state or local regulatory statute, regulation, or ordinance prescribing standards of housing, health, or safety shall be suspended to the extent that strict compliance would in any way prevent, hinder, or delay the mitigation of the effects of the shelter crisis. Political subdivisions may, in place of such standards, enact municipal health and safety standards to be operative during the housing emergency consistent with ensuring minimal public health and safety. The provisions of this section apply only to additional public facilities open to the homeless pursuant to this chapter.

(*Added by Stats. 1987, Ch. 1116, Sec. 2. Effective September 25, 1987.*)

8698.2.

(a) (1) The governing body may declare a shelter crisis, and may take such action as is necessary to carry out the provisions of this chapter, upon a finding by that governing body that a significant number of persons within the jurisdiction of the governing body are without the ability to obtain shelter, and that the situation has resulted in a threat to the health and safety of those persons.

(2) For purposes of this chapter, the governing body of the state, in making a declaration of a shelter crisis pursuant to paragraph (1), may limit that declaration to any geographical portion of the state.

(b) Upon a declaration of a shelter crisis pursuant to subdivision (a), the political subdivision may allow persons unable to obtain housing to occupy designated public facilities during the duration of the state of emergency.

(Added by Stats. 1987, Ch. 1116, Sec. 2. Effective September 25, 1987.)

Get on the SDHC Docket to discuss the powers of the Emergency Shelter Crisis Resolution that Ministerially takes out the need for Conditional Use Permit (CUP) Approval and CEQA issues. Have the City Attorney and Neighborhood Code Compliance (NCC) Officers confirm State laws that are impediments to Fair Housing for Homeless Emergency Shelters Citywide. Look into Caltrans land for Small Homes for Veterans.

Move the LMIHAF to the Housing Trust Fund (HTF) controlled by the SDHC. Have the SDHC confirm that Civic San Diego lost \$11.9 million of the \$28 million of the Successor Housing Entity's Low Moderate Income Housing Asset Fund (LMIHAF) Cash Revenue in the Fiscal Year FY-2014 CAFR

NGDC was a prototype for a Homeless Day Center in every City Council District. CalTrans land can be used for the Homeless through the process set up by Christine Kehoe.

Have the SDHC confirm that the remaining \$16.6 million in LMIHAF Cash Revenue will be lost unless a plan to spend the money is created immediately.

The currently Civic San Diego's Affordability Housing Master Plan (AHMP) plans to DO NOTHING until a FY-2017 NOFA, for funding Affordable Housing projects in FY-2018. Thus losing the existing \$16.6 million in cash revenue plus another other revenue from now until FY-2018. Up to @ \$30 million by Default.

Have Mayor Faulconer and the SDHC put the Hancock Center in his FY-2016 Budget due before the June 30, 2015 deadline. Get tHomeless Funding Proposal onto the San Diego Housing Commission upcoming budget.

The issues with the Non-Tent Interim Housing and Day Center are part of the Budget. \$1.5 million cost documented in full assessment to Neil Good Day Center NGDC Retrofit. Mosaic church and parking lot turns into Day Center after CUP. Not required. 29 Years for Tents.

Hancock Center. State of Emergency Shelter Crisis.

Did not Monitor the City-Grantee, CPD-funded assets Transferred by the former RDA to minimize HUD's Risk. HUD OIG requested agreements... but some were missing... some were unsigned or incomplete... unable to provide us executed agreements.



Issue Date: February 28, 2014

Audit Report Number: 2014-LA-0001

Appendix B - Page 1 of 2.

<https://www.hudoig.gov/sites/default/files/documents/2014-LA-0001.pdf>

TO: Yolanda Chavez, Deputy Assistant Secretary for Grant Programs, DG

//SIGNED//

FROM: Tanya E. Schulze, Regional Inspector General for Audit, Los Angeles Region, 9DGA

SUBJECT: CPD Did Not Monitor Grantees' CPD-Funded Assets Transferred by Former Redevelopment Agencies To Minimize HUD's Risk

Attached is the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General's (OIG) final results of our review of the Office of Community Planning and Development's (CPD) monitoring of CPD-funded assets transferred by former redevelopment agencies.

HUD Handbook 2000.06, REV-4, sets specific timeframes for management decisions on recommended corrective actions. For each recommendation without a management decision, please respond and provide status reports in accordance with the HUD Handbook. Please furnish us copies of any correspondence or directives issued because of the audit.

The Inspector General Act, Title 5 United States Code, section 8M, requires that OIG post its publicly available reports on the OIG Web site. Accordingly, this report will be posted at <http://www.hudoig.gov>.

If you have any questions or comments about this report, please do not hesitate to call me at 213-534-2471.

Specifically how HUD's Community Planning and Development Interests includes all issues and revenue for Affordable Housing derived from State of California REDEVELOPMENT AGENCY, SUCCESSOR AGENCY, LOW MODERATE INCOME HOUSING ASSET FUND (LMIHAF), and HUD OIG 2010 Audit Debt Repayment Agreement to CDBG Program Income.

<http://www.sandiego.gov/cdbg/pdf/caperfy10.pdf>

Losing \$228 Million in HUD OIG Audit debt to CDBG Program Income. The money should be moved to RCCC.



CPD Did Not Monitor Grantees' CPD-Funded Assets Transferred by Former Redevelopment Agencies To Minimize HUD's Risk

Highlights

Audit Report 2014-LA-0001

\$99 million Total = \$38 San Francisco + \$61 Los Angeles LA

What We Audited and Why

We audited the U.S. Department of Housing and Urban Development's (HUD) San Francisco and Los Angeles Offices of Community Planning and Development's (CPD) monitoring of CPD-funded assets transferred by former redevelopment agencies due to concerns that CPD-funded assets may be lost during the State of California's statewide mandated closure of redevelopment agencies. Our objective was to determine whether the San Francisco and Los Angeles CPD field offices monitored grantees' CPD-funded assets transferred by former redevelopment agencies to minimize HUD's risk.

What We Found

The San Francisco and Los Angeles CPD field offices did not monitor grantees' CPD-funded assets transferred by former redevelopment agencies to minimize HUD's risk. Further, the CPD offices did not record and maintain accurate and complete lists of grantees' CPD-funded assets or track CPD-funded assets managed by the grantees' former redevelopment agencies during the State's mandated shutdown of the agencies. Therefore, there was no assurance that CPD had a complete and accurate account of CPD-funded assets. As a result, more than \$99 million in CPD funds used to acquire assets by the defunct redevelopment agencies is at risk of being transferred to entities that may not continue to meet HUD's CPD program objectives.

HUD OIG Audited HUD-LA and HUD-SF staff failures related to RDA wind down.

What We Recommend

We recommend that HUD (1) develop policies and procedures that allow for more proactive monitoring of grantees' CPD funding and assets, (2) establish a formal listing of assets funded through CPD, and (3) require its grantees to provide adequate documentation supporting the grantees' binding and enforceable rights to CPD-funded assets as required in HUD regulations and requirements.

Audit of the Successor Housing Entity's Low Moderate Income Housing Asset Fund (LMIHAF) has been past due since December 31, 2014. Instead Calendar Year Housing Element Report format was misused and misunderstood by General Plan staff. <http://tinyurl.com/20140630h>
Both LMIHAF Audit and Housing Element Report Outstanding.

Requires adequate documentation supporting the City-Grantee' Binding and Enforceable Rights to CPD-funded assets, as required in HUD regulations and requirements.

Specifically how HUD's Community Planning and Development Interests includes all issues and revenue for Affordable Housing derived from State of California REDEVELOPMENT AGENCY, SUCCESSOR AGENCY, LOW MODERATE INCOME HOUSING ASSET FUND (LMIHAF), and HUD OIG 2010 Audit Debt Repayment Agreement to CDBG Program Income. Losing \$228 Million in HUD OIG Audit debt to CDBG Program Income. The money should be moved to RCCC.

Estimates of Homelessness

City of San Diego

Appendix C - Page 1 of 4.

City of San Diego Point-in-Time Counts

	2014	2015 Failure.	% Change
Unsheltered	2,468	2,765	+12.0%
Sheltered	2,731	2,773	+1.5%
Total Homeless	5,199	5,538	+6.5%

Estimates of Unsheltered Homeless Downtown Footprint

Civic San Diego is still Hoarding \$27 million
Cash in LMIHAF FY-2014 Revenue.
50% belongs to Homeless and Extremely Low.

Appendix C - Page 2 of 4.

Downtown
Civic San Diego.

Census Tract

PITC Tract	2014 Totals	2015 Totals	% Change
46.00	72	2	-97.2%
47.00	75	88	+17.3%
51.00	141	314	+122.7%
52.00	132	126	-4.5%
53.00	140	151	+7.9%
54.00	32	85	+165.6%
56.00	36	30	-16.7%
58.00	34	37	+8.8%
Total	662	833	+25.8%

*Totals: Individuals, vehicles and hand-built structures. Vehicle multiplier = 1.83 and HBS multiplier = 1.61

Local Questions: Veterans

Appendix C - Page 3 of 4.

						% of Unsheltered Veterans	Number of Veterans
Total Estimated Homeless Veterans						--	1381
Sheltered Veterans						--	750
Unsheltered Veterans						--	631
				Year Entered Military Service	1964-1975 (Vietnam)	31.1%	196
					1976-1990 (Post-Vietnam)	48.3%	305
				Receive VA medical services		44.8%	283
				Nature of Discharge	Honorable	60.7%	383
					General	13.2%	83
					Other Than Honorable	9.0%	57
					Dishonorable	4.1%	26
					Uncharacterized	0.6%	4

Great news.

Estimates of Veteran Homelessness Regional Trends – San Diego County

Appendix C - Page 4 of 4.

San Diego Region Point-in-Time Counts

	% Change '14-'15	% Change '12-'15
Unsheltered	+22.1%	-31.6%
Sheltered	-5.1%	-9.7%
Total Homeless	+5.7%	-21.2%



THE CITY OF SAN DIEGO

Appendix D - Page 1 of 2.

<http://www.sandiego.gov/planning/genplan/documents/index.shtml>
http://www.sandiego.gov/planning/genplan/pdf/sb_341_lmihaf_report_for_fy14.pdf
Housing Element Reporting Requirements. Still need for Calendar Year CY-2014.
The required LMIHAF Audit is a different document and separate from the General Fund reporting requirements.

City of San Diego

SENATE BILL 341 ANNUAL REPORT

Low-Moderate Housing Fund

For the year ended June 30, 2014

Health and Safety Code Section 34176.1 (f) required a FY-2014 LMIHAF Financial Audit in accordance with Health and Safety Code requirement including information on: homeless prevention and rapid rehousing services; the value of loans and grants receivable; A description of any transfers made in the previous fiscal year and, if still unencumbered, in earlier fiscal years and a description of and status update on any project for which transferred funds have been or will be expended if that project has not yet been placed in service; and the amount of any excess surplus, the amount of time that the successor agency has had excess surplus, and the housing successor's plan for eliminating the excess surplus.

The following provides the Housing Successor's Senior Housing Test for the 10 year period of July 1, 2004 to June 30, 2014:

Senior Housing Test	FY04/05 to FY 13/14
# of Assisted Senior Rental Units	463
# of Total Assisted Rental Units	2915
Senior Housing Percentage	16%

Source: Civic San Diego

According to the FY-2014 CAFR \$28,583,000 in Unencumbered Housing Fund Cash Balance including new LMIHAF Cash Revenue from FY-2014 CAFR totaling \$27,379,000.

XI. EXCESS SURPLUS TEST

Excess Surplus is defined in Code section 34176.1(d) as an unencumbered amount in the account that exceeds the greater of one million dollars (\$1,000,000) or the aggregate amount deposited into the account during the Housing Successor's preceding four Fiscal Years, whichever is greater.

The first meaningful calculation for this total cannot be performed until the close of the fifth fiscal year. Once four years of deposits have been established, at the close of the fifth year (Fiscal Year 2016-2017), the Housing Successor will have to perform a true excess surplus calculation, comparing the unencumbered fund balance to the prior four years of deposits. As the general purpose of the excess surplus calculation is to ensure that money is expended for low-income purposes, the best action for the LMIHAF is to use the next three years to encumber or expend money currently on deposit.

FY-2014 CAFR Pages 228-231

Table 1 - Combining Balance Sheet. Special Revenue. Other Governmental Funds. Unbudgeted Housing Successor Entity's LMIHAF

ASSETS	
CASH and INVESTMENTS	28,583,000
Receivables:	
Notes Receivables	214,560,000
Accrued Interest Receivables	35,000
Land Held for Resale	32,212,000
Prepaid Items	2,614,000
TOTAL ASSETS	278,004,000
LIABILITIES	
Accounts Payable	671,000
Unearned Revenue	90,000
Sundry Trust Liabilities	104,000
TOTAL LIABILITIES	865,000
TOTAL RESTRICTED FUND BALANCES	277,139,000

Table 2 - Combining Statement Revenues, Expenditures, & Changes in Fund Balances for Special Revenue Housing Successor Entity's UnBudgeted LMIHAF

SPECIAL REVENUES	
Revenue from Use of Money Property	6,041,000
Other Revenues	15,341,000
TOTAL SPECIAL REVENUES	21,382,000
EXPENDITURES	
Current:	
TOTAL EXPENDITURES Current Neighborhood Services w/Civic San Diego	\$1,895,000
EXCESS OF REVENUES OVER EXPENDITURES	19,487,000
OTHER FINANCING SOURCES (USES)	
Proceeds from the Sale of Capital Assets	5,997,000
TOTAL OTHER FINANCING SOURCES (USES)	5,997,000
NET CHANGE IN FUND BALANCES	25,484,000
TOTAL LIABILITIES, DEFERRED INFLOW, AND FUND BALANCES	278,004,000
Fund Balances at Beginning of Year, as Restated 07/01/2013	251,655,000
FUND BALANCES AT END OF YEAR 06/30/2014	277,139,000