Economic Development

Community Development

CONSOLIDATED PLAN ADVISORY BOARD (CPAB)

MINUTES

Wednesday, February 9, 2022

VIRTUAL CPAB MEETING

(LINK)

BOARD MEMBERS PRESENT	BOARD MEMBERS ABSENT
• Eileen Gonzales, Council District 3 • Patrick Batten, Council District 5 • Rich Thesing, Council District 7 • Victoria Barba, Council District 8 • Peter Dennehy, Council District 9	• VACANT, Council District 1 • VACANT, Council District 2 • Brenda Campbell, Council District 4 • VACANT, Council District 6

STAFF PRESENT	ATTENDANCE
• Monica Hardman, Deputy Director • Angela Nazareno Clark, Program Manager • Michele Marano, Community Development Coordinator • Leonardo Alarcón, Community Development Project Specialist • Nadine Hassoun, Community Development Project Manager	*(Public had access to meeting via Zoom Webinar and youtube link)*

Call to Order

1. Mr. Peter Dennehy called the meeting to order at 10:02 a.m. Mr. Dennehy took role call; five board members were present. Quorum was achieved at the same time.

Board Member Announcements

2. *No board member announcements were made*

Staff Announcements

3. Community Development Project Manager Nadine Hassoun announced that the CPAB began reviewing Fiscal Year (FY) 2023 CDBG applications on January 31st. Board members had until March 4th to score 41 applications that were deemed eligible by staff. Ad Hoc Committee meetings were available for CPAB members to participate in on the week of February 14 and week of February 21. Ad Hoc meetings aim to address any questions or concerns Board members may have regarding applications and are optional.

Ms. Hassoun also updated the CPAB on the COVID-19 vaccination forms board members were asked to complete and submit to the Office of Boards and Commissions. The Office plans to follow up with board members regarding these forms to ask for clarification.
Ms. Hassoun announced that the Economic Development Department will be returning to the office two days a week, starting February 28th. At the time of this meeting, CPAB meetings should not be impacted by this change in the immediate future.

Mr. Leonardo Alarcon announced that the City Council began stage two of their reopening strategy, which indicates that City Council and City Staff meet in council chambers, but the public is still required to participate through Zoom or other call-in options. While the City prepares to move toward phase three of reopening plan, City staff will continue to provide CPAB with updates or any changes to the City strategy.

Ms. Michele Marano welcomed Emma Mattingly to the Economic Development Department. Ms. Mattingly will be managing and supporting CDBG subrecipient agreements, for organizations providing public services and microenterprise technical assistance. Ms. Mattingly holds a bachelor's degree in Urban Affairs and a minor in Spanish from Wright State University in Dayton, Ohio. During her undergraduate experience she worked with the communications department with both the Dayton International Airport and the Downtown Dayton Partnership.

Ms. Marano also announced that two colleagues, Mike Nguyen and Atilano Moran, will be leaving the Economic Development department to pursue growth opportunities within the City.

Approval of Minutes

4. Board member Rich Thesing made the motion to approve the January 12, 2022, meeting minutes. Ms. Eileen Gonzales requested a correction to be made to the meeting minutes. She had voted to approve the November minutes but wished to abstain. The minutes were approved unanimously, 5-0 (January minutes were updated and can be found here).

Non-agenda Public Comment

5. *No non-agenda public comments were received.*

Discussion Items

6. **a. Affordable Housing Notice of Funding Availability (NOFA) – Status Update**

Economic Development Department staff provided an update on the City's Affordable Housing NOFA. The goal of the available funding is to support either new construction or the acquisition and rehabilitation of housing that will provide long-term affordability to individuals and families.

Please see attached presentation for more information.

Board member Rich Thesing thanked Monica Hardman, Deputy Director of the Economic Development Department, for the presentation. Mr. Thesing asked about the funding sources used for this NOFA. Ms. Hardman responded that three funding sources are used: CDBG funding, Permanent Local Housing Allocation (PLHA) from the California department of Housing and Community Development, and Low-Mod Income Housing Asset Fund (LMIHAF), which are City funds received from sales proceeds from redevelopment assets.

Mr. Thesing asked whether the acquisition or construction of the property would be rental property. Ms. Hardman confirmed developments would be multifamily affordable housing. Mr. Thesing asked whether the developer would also be the landlord. Ms. Hardman responded that most development teams will have a separate property management company. The City would not be retaining the properties.

Board member Victoria Barba thanked Monica for the presentation and stated that, as a resident of San Ysidro, she is excited to see the development of these properties in her community.

Board member Patrick Batten thanked Monica for her presentation. Mr. Batten said he appreciates the development of affordable housing in his Rancho Bernardo community. Mr. Batten asked what would happen to families whose incomes increase to over the qualification amount. Ms. Hardman responded that there are no restrictions, or eligibility parameters, in place that would impact individuals or families if their incomes increase after moving into the property.

b. HOME-ARP Introduction

Economic Development Department staff provided an introduction to the HOME Investment Partnerships American Rescue Plan (HOME-ARP).

Please see attached presentation for more information.

Michele Marano, Community Development Program Coordinator, added that to receive the HOME-ARP funding, the City will need to create an allocation plan to submit to HUD that details how the City will be spending the $20 million. Once the proposal is accepted, the City will have access to the funds.

Mr. Thesing asked whether the City of San Diego would qualify for increased HOME-ARP funding due to the City's larger population of unhoused individuals. Mr. Alarcon, Community Development Project Specialist, responded that staff would get back to CPAB members regarding the formula used by HUD to allocate fund to jurisdictions.

Other Items

7. a. This item was open for CPAB to comment or request future agenda items.

Adjournment

8. Mr. Dennehy adjourned the meeting at 10:45 a.m.

Economic Development Department

Affordable Housing Notice of Funding Availability (NOFA)-Status Update

Consolidated Plan Advisory Board

Discussion Item A

February 9, 2022

The City of SAN DIEGO

Overview

- Affordable Housing is a Critical Need in City of San Diego
- Unique opportunity due to influx of funding
- Two-Phase process to create efficient award of funding without heavy administrative burden

Request for Qualifications

- Create pool of qualified development teams
- Issued December 7, 2020 with responses due January 29, 2021
- Pass/Fail based on Developer Experience and Financial Capability
- City received 19 responses from interested Development Teams
  - 15 Passed/4 Failed – Placed on Emerging Developer List for partnerships

Notice of Funding Availability

- Open to Pre-qualified RFQ Teams or Partnering
- Issued May 7, 2021 with responses due July 16, 2021
- Rolling over next 2-3 years
- $33M Available for First Round

Project Goals – City Objectives

- Increase and preserve affordable housing stock <= 80% AMI
- Assist persons experiencing or at risk of homelessness
- Maximize quality unit production with limited resources
- Leverage City resources with other funding sources
- Revitalize neighborhoods and catalyze neighborhood improvement
- Invest in neighborhood amenities, provide positive economic impact
- Continue to implement current incentive programs

Project Eligibility

- Mixed-income projects eligible, however only the affordable housing component eligible for NOFA funding
- Priority to projects requesting less than $100,000/unit
- Site Control
- Completion within 36 months or less
- Prevailing Wages

Project Eligibility – Summary Funding Source Requirements

USES	$17M LMIHAF	$5.5M PLHA	$10.7M CDBG
New construction	X	X	
Acquisition		X	X
Rehabilitation		X	X
Demo/Site Clearance (includes Environmental)	X		X
Relocation during Rehabilitation			X
Site Improvements	X	X	X
Removal of Lead-based Paint/Hazardous Material		X	X

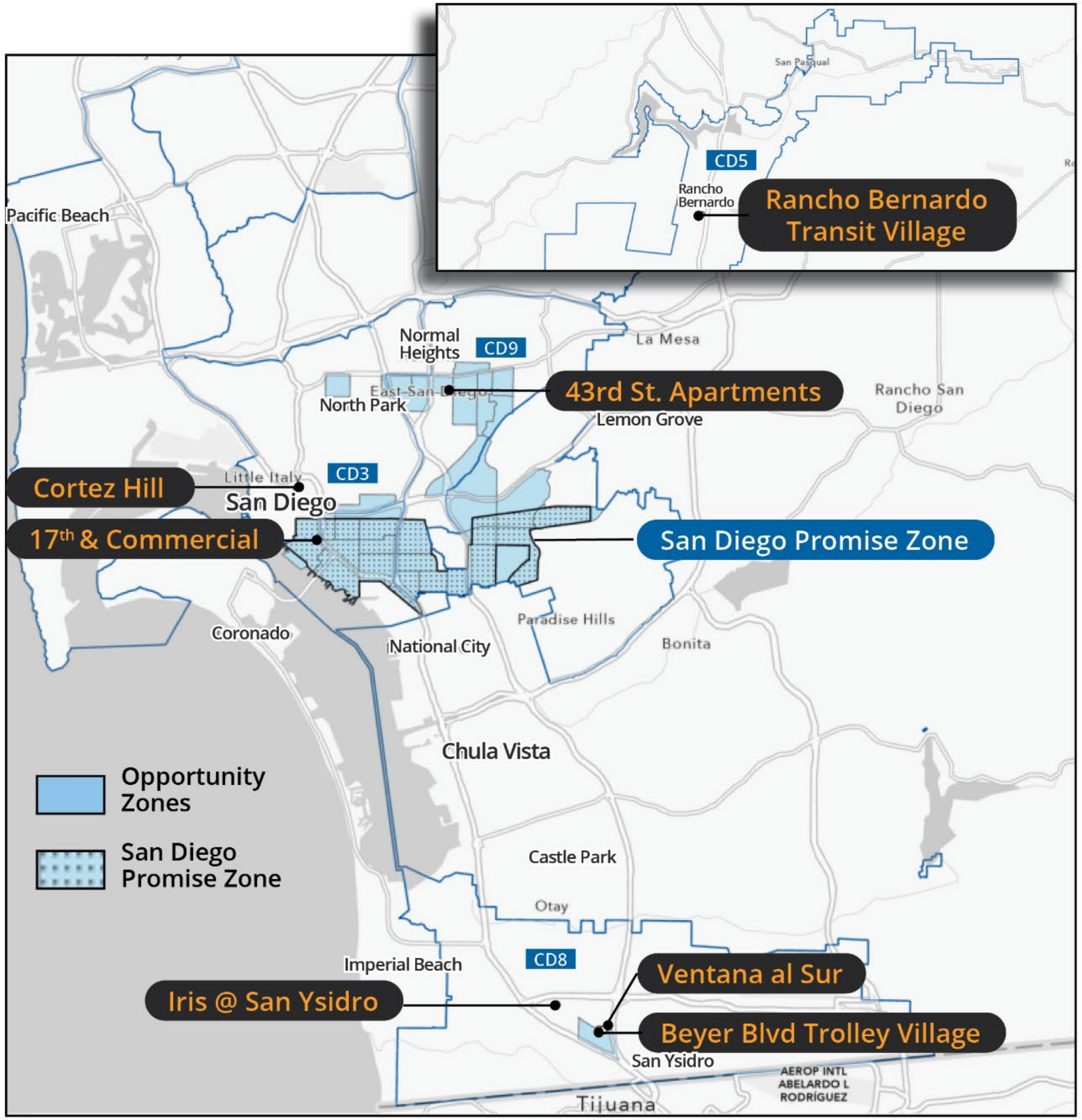
NOFA Schedule

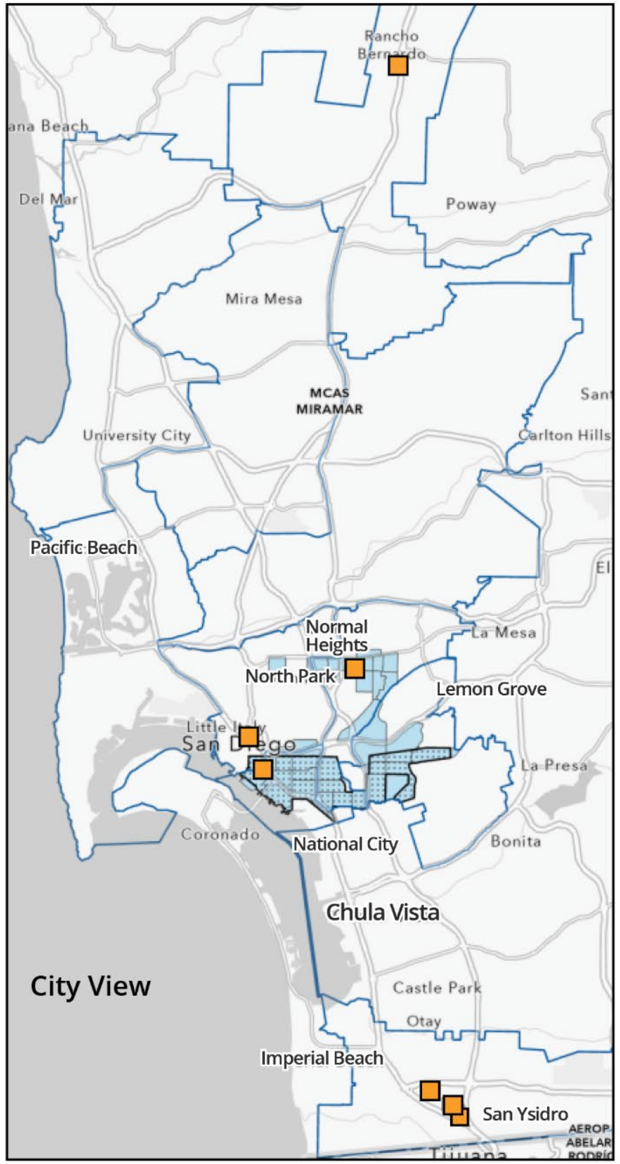
Pre-submittal Meeting (non-mandatory)	May 21, 2021, 10:00 am
Question and Comments Due up to	June 18, 2021
Applications Accepted no later than	July 16, 2021, 5:00 pm
Application Review	July – August 2021
Notice to Successful Applicants	August – September 2021
City OPA or CDBG Loan Agreement Finalization	Beginning in August 2021
EDIR Committee	November 17, 2021

NOFA Submittal Overview

- Received 16 proposals totaling $89M in requests
- Recommending 7 projects for 1st Round
- Creation/rehab of 662 affordable housing units
- Located in CD's 3, 5, 8, and 9
- Communities of Concern, Mobility, and Capacity Building prioritized

NOFA Projects





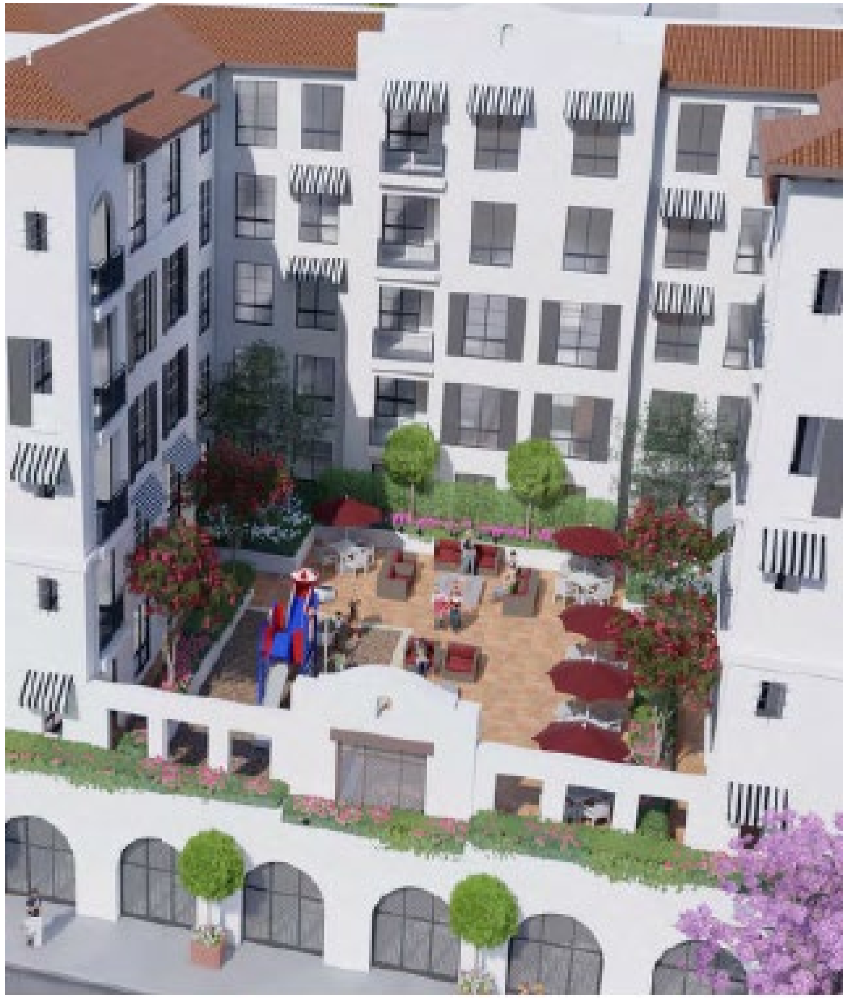
NOFA Recommended Project: Rancho Bernardo Transit Village

Rancho Bernardo Transit Village

Council District	5
Number of Units	100
Recommended Loan Amount/Per Unit Cost	$5,000,000 $50,000 per unit
Funding Sources	LMIHAF
Population Served	Family
Emerging Partner	Compass for Affordable Housing
Includes PSH	No
Anticipated Completion Date	July 2024

NOFA Recommended Project: Beyer Boulevard Trolley Village

Beyer Boulevard Trolley Village



Council District	8
Number of Units	100
Recommended Loan Amount/Per Unit Cost	$5,000,000 $50,000 per unit
Funding Sources	LMIHAF
Population Served	Family
Emerging Partner	Compass for Affordable Housing
Includes PSH	No
Anticipated Completion Date	July 2024

NOFA Recommended Project: Ventana al Sur

SOUTH EXTERIOR ELEVATION

Ventana al Sur

Council District	8
Number of Units	101
Recommended Loan Amount/Per Unit Cost	$5,000,000 $49,505 per unit
Funding Sources	LMIHAF/PLHA
Population Served	Senior
Emerging Partner	MAAC
Includes PSH	Yes
Anticipated Completion Date	Jan 2024

NOFA Recommended Project: Iris at San Ysidro

Iris at San Ysidro

Council District	8
Number of Units	100
Recommended Loan Amount/Per Unit Cost	$5,000,000 $50,000 per unit
Funding Sources	LMIHAF/PLHA
Population Served	Family
Emerging Partner	Casa Familiar
Includes PSH	Yes
Anticipated Completion Date	June 2024

NOFA Recommended Project: Cortez Hill

Cortez Hill

Council District	3
Number of Units	88
Recommended Loan Amount/Per Unit Cost	$1,400,000 $15,909 per unit
Funding Sources	PLHA
Population Served	Family
Emerging Partner	N/A
Includes PSH	Yes
Anticipated Completion Date	May 2024

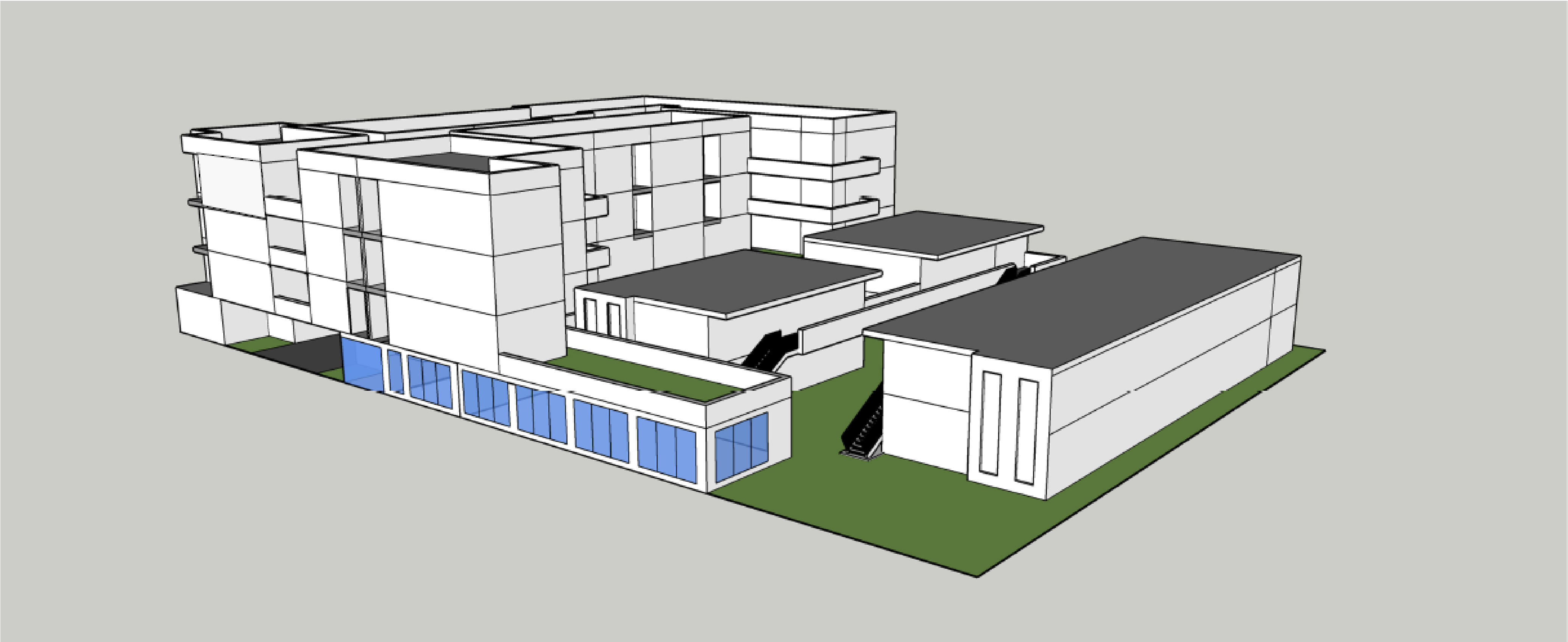
NOFA Recommended Project: 17^{th} & Commercial

17TH STREET ELEVATION

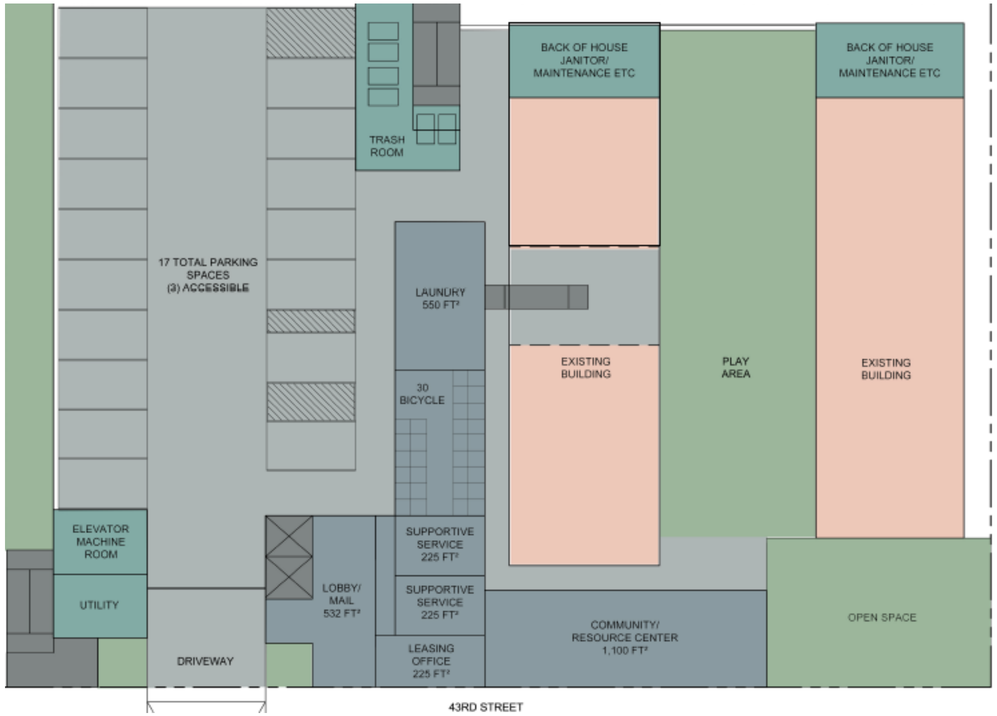
17^{th} & Commercial

Council District	3
Number of Units	108
Recommended Loan Amount/Per Unit Cost	\$4,000,000 \$37,037 per unit
Funding Sources	CDBG
Population Served	Single Room Occupancy
Emerging Partner	N/A
Includes PSH	Yes
Anticipated Completion Date	August 2024

NOFA Recommended Project: Serenade on 43rd



Serenade on 43rd



Council District	9
Number of Units	65
Recommended Loan Amount	$6,500,000 $100,000 per unit
Funding Sources	CDBG
Population Served	Family
Emerging Partner	Housing Innovation Partners
Includes PSH	Yes
Anticipated Completion Date	March 2024

Proposed Terms & Loan Financing Details

- Owner Participation Agreement (OPA) or CDBG Loan Agreement
- 55 year term 3% interest payable annual from available residual receipts
- Subordinate to permanent loan financing
- Best efforts to secure tax credits
- 55 year restricted rent covenant
- Monitoring and Compliance

Next Steps

- Seven recommended projects for City Council consideration March-June 2022
- Second NOFA Release anticipated 1st Quarter 2022
- Projected $15-20 Million

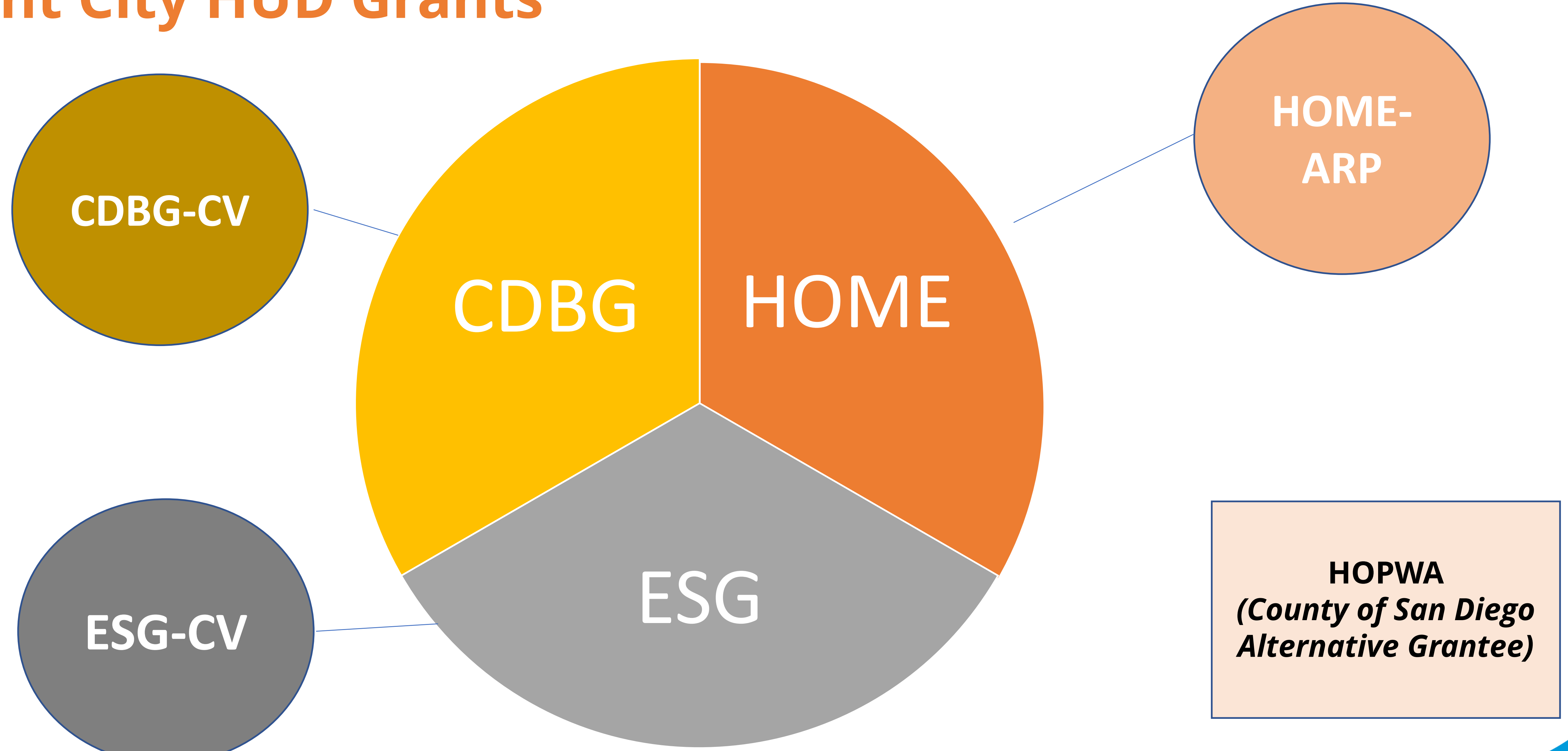
Economic Development

HOME Investment Partnerships American Rescue Plan Program (HOME-ARP): Introduction

Consolidated Plan Advisory Board

February 09, 2022

Current City HUD Grants



HOME-American Rescue Plan (ARP)

- Provides $5 billion to assist individuals or households who are homeless or at risk of becoming homeless
- Allocations announced on April 8, 2021 to jurisdictions who receive HOME funds
- City of San Diego awarded $20,956,979

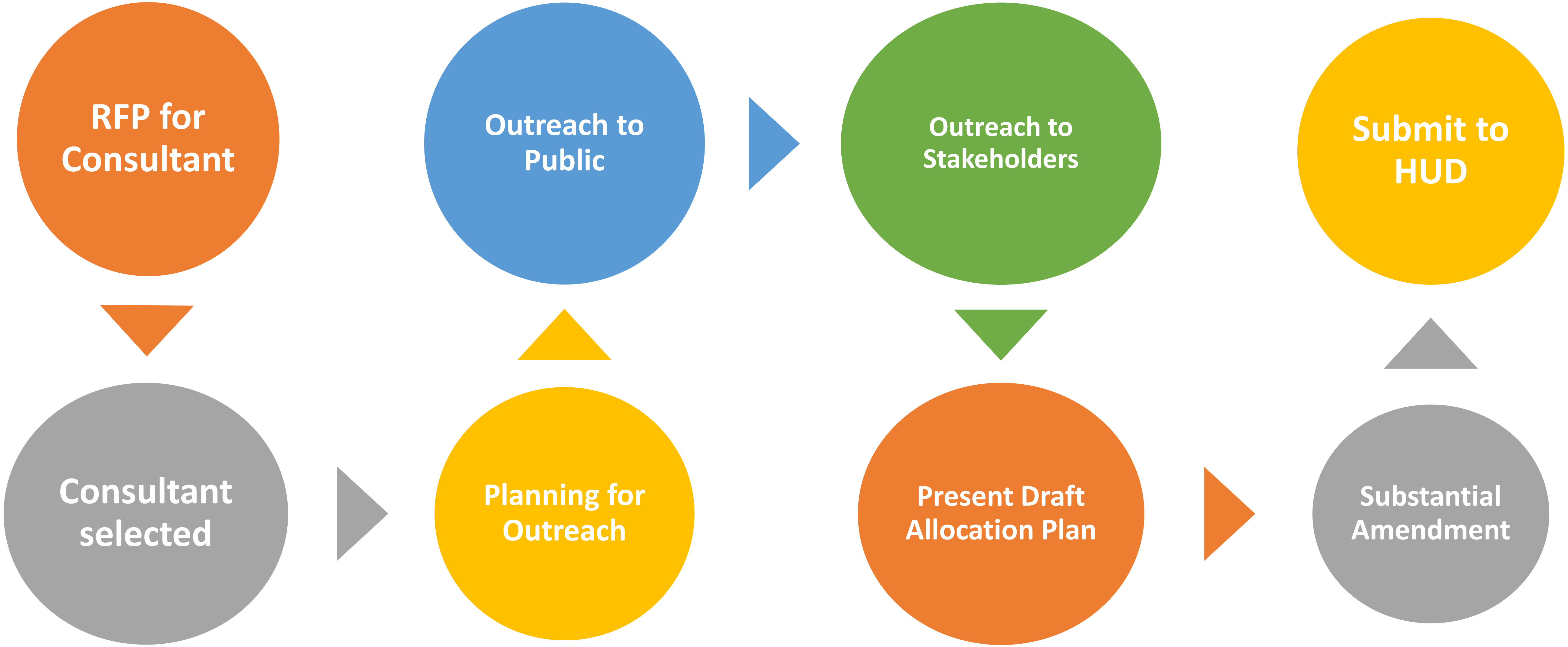
HOME-ARP Eligible activities

- Production or Preservation of Affordable Housing
- Tenant Based Rental Assistance (TBRA)
- Supportive Services, Homeless Prevention Services, Housing Counseling
- Purchase and Development of Non-Congregate Shelter (NCS)

HOME vs HOME-ARP

HOME	HOME-ARP
TBRA	TBRA
Rental Housing (Acquisition and/or Rehabilitation or new Construction)	Affordable Housing Construction or Preservation
Homeowner (Repair, Rehabilitation, or Reconstruction)	Purchase and Development of NCS
Homebuyer (Down Payment Assistance and/or Rehabilitation or New Construction)	Supportive Services and Homeless Services

Planning Steps



Related Key Information

- County of San Diego (as the HOME Consortium lead agency) already begun outreach process

- Will trigger Substantial Amendment to FY 2020-2024 Consolidated Plan & FY 2021 Annual Action Plan
  - Increase of 25% funding as outlined in Citizen Participation Plan

- Funds must be expended by 2030

Question or Comments