



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: September 29, 2010 REPORT NO: 10-129

ATTENTION: Land Use & Housing Committee
Agenda of October 6, 2010

SUBJECT: Funding Agreement with Home Start, Inc. for the property located on
4637-4649 35th Street

REQUESTED ACTION:

Consider and accept the requested actions and forward to the City Council for final approval and adoption:

1. Approve the expenditure of up to \$200,750 from the Fiscal Year 2009 and Fiscal Year 2010 CDBG allocations to Home Start, Inc. for the acquisition of real property located at 4637-4649 35th Street, San Diego (Site), by Home Start, Inc. so long as the purchase price of the Site does not exceed fair market value of \$585,000 and that the expenditure is secured by a deed of trust on the Site in favor of the City; and
2. Authorize the Mayor or his designee to negotiate and execute an agreement with Home Start, Inc. for the expenditure of such CDBG funds related to the acquisition of the Site by Home Start, Inc., contingent upon certification of availability of funds by the Chief Financial Officer.

STAFF RECOMMENDATION:

Approve the Requested Action.

BACKGROUND:

The Federal Housing and Community Development Act of 1974 established the Community Development Block Grant (CDBG) Program, which is administered by the Department of Housing and Urban Development (HUD). The City of San Diego (City) has received CDBG Entitlement funds annually since its inception. The overarching goal of the CDBG Program is to develop viable urban communities through the provision of decent housing, suitable living environments, and economic activities for persons of low and moderate income. The City, as a grantee, administers its CDBG Entitlement funds through the Economic Development Division of the City Planning & Community Investment Department. The Economic Development Division's CDBG staff is responsible for grant compliance and the overall administration of the City's CDBG Programs. Each year, the City is obligated to follow a HUD-defined "consolidated planning" process to ensure community involvement, project eligibility, and a strategic approach to utilizing CDBG funds.

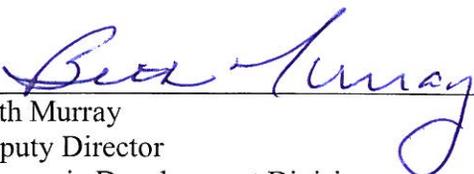
The acquisition of this property is consistent with FY 2010 – 2014 Consolidated Plan Goal 2 – Outcome 2.4.1: “Increase the number of facilities in San Diego that serve persons with special needs.” During FY 2009 and FY 2010, City Council allocated \$200,750 in CDBG funds to Home Start, Inc. for the purchase of property to establish a transitional living center that will assist in preventing homelessness among high-risk young adults with dependent children.

The proposed acquisition is for the real property located at 4637-4649 35th Street (“Site”) on the east side of 35th Street. The Assessor Parcel Number (APN) is 440-570-18 (See Attachment 1). The City’s Real Estate Assets Department reviewed and approved an independent appraisal conducted by Steven L. Bowen and Associates. The appraisal established the fair market value of the property at \$585,000. The expenditure of \$200,750 in CDBG funds will be secured by a Second Note and Deed of Trust.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On March 3, 2009, by Resolution R-304705, City Council allocated \$70,000 to Home Start, Inc. for the purchase of property to establish a transitional living center that will assist in preventing homelessness among high-risk young adults with dependent children. On April 13, 2010, by Resolution R-305741, City Council allocated an additional \$130,750 to complete the same acquisition project.

Respectfully submitted,



Beth Murray
Deputy Director
Economic Development Division

Attachments: 1. Assessor Parcel Map

Attachment 1
[Assessor Parcel Map]

