



DATE ISSUED: January 19, 2005 REPORT NO. CCDC-05-01

ATTENTION: Chair and Members of the Redevelopment Agency
Docket of January 25, 2005

SUBJECT: Young Women's Christian Association of San Diego ("YWCA")
(located at 1012 "C" Street)- Fourth Implementation Agreement to the
Amendment to the Rehabilitation Loan Agreement – Core
Redevelopment District of the Expansion Sub Area of the Centre City
Redevelopment Project

REFERENCE: Fourth Implementation Agreement

STAFF CONTACT: Dale Royal, Senior Project Manager

SUMMARY

Issue - Should the Redevelopment Agency ("Agency") approve the Fourth Implementation Agreement to the Amendment to the Rehabilitation Loan Agreement between the Agency and the YWCA to add guidelines for temporary tenancy by over-income residents at the YWCA facility at 1012 "C" Street?

Staff Recommendation - That the Agency approve the Fourth Implementation Agreement to the Amendment to the Rehabilitation Loan Agreement between the Agency and the YWCA to add guidelines for temporary tenancy by over-income residents at the YWCA facility at 1012 "C" Street.

Centre City Development Corporation ("CCDC") - On December 15, 2004, the CCDC Board voted unanimously to approve the staff recommendation.

Other Recommendations - On October 8, 2004, the San Diego Housing Commission, a party to the Rehabilitation Loan Agreement, voted 6-0 to authorize the Housing Commission President and Chief Executive Officer to execute any documents to make the recommended amendments.

Fiscal Impact - None with this action.

BACKGROUND

The project subject to the Fourth Implementation Agreement advances the Visions and Goals of the Centre City Community Plan and the Objectives of the Centre City Redevelopment Project by:

- Creating a range of housing opportunities by providing transitional housing for persons at risk of homelessness;
- Assuring easy access to quality health, mental health and social/educational services for women and children in need of social services; and
- Expanding and improving the supply of housing affordable to very low-income households.

The YWCA facility at 1012 "C" Street was built in 1925 and is a downtown institution listed on the Local Historic Site Register of Significant Buildings. The five-story building contains YWCA administrative offices and emergency and supportive housing. The YWCA operates its Passages Program in the building which prepares women and their families for self-sufficiency with counseling, legal services, job training, employment search, and execution of a permanent housing plan. Participants can stay in the units and participate in the program for up to two years.

Beginning in 1991, the Agency and the San Diego Housing Commission provided loans and grants to the YWCA for various rehabilitation projects. Funds from the Agency's Low and Moderate Income Housing Fund have been used to renovate the third, fourth and fifth floors of the building which contain a total of 51 residential units. All of the residential units are income and rent restricted to be affordable to households at or below 40 percent of area median income for a period of 35 years.

DISCUSSION

Recently, YWCA administrators have experienced difficulties managing the program with its existing income restrictions. Since the residential units are restricted to households at or below 40 percent of area median income (\$27,400 for a family of four), many program participants who are successful in gaining employment and increasing their income are being evicted because they start to earn more income than allowed by the current restrictions. YWCA administrators say evictions, and often the fear of losing housing if income rises, serve as a disincentive to succeed in the program.

To resolve the problem, the YWCA is requesting that the Agency revise the Amended Agreement Affecting Real Property (recorded in 1993) to include guidelines for temporary tenancy by over-income residents. The new guidelines ("Amendment") would allow

program participants who increase their income above 40% of area median to remain a resident for up to 24 months with their rent adjusted according to a sliding scale that increases rent with actual income.

The average household size in the YWCA program is a family of four. The maximum rent is currently \$613.00 per month. With the proposed Amendment, the maximum rent for over-income tenants would increase according to the following sliding scale:

Rent for Over-Income Tenants (HCD 2004)

IF HOUSEHOLD INCOME INCREASES TO: (Four-person household)	RENT WILL BE CALCULATED AS:	EXAMPLE Four-person household rent
41% - 50% AMI (\$28,085 to \$34,250)	30% times 50% of AMI	\$772
51% - 80% AMI (\$34,935 to \$54,800)	30% times 60% of AMI	\$930
81% - 120% AMI (\$55,485 to \$82,200)	30% times 110% of AMI	\$1,722
Over 120% AMI	30% times actual income	Based on actual

The Fourth Implementation Agreement is attached as Exhibit A.

SUMMARY/CONCLUSION

Staff recommends that guidelines for temporary tenancy by over-income residents be added to the Agreement Affecting Real Property for the YWCA facility at 1012 "C" Street. The Amendment will allow women and families who increase their income to retain their housing while participating in the YWCA's self-sufficiency programs.

Respectfully submitted,

Concurred by:

Dale Royal
Senior Project Manager

Peter J. Hall, President

Attachment:
Exhibit A - Fourth Implementation Agreement