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MEMORANDUM

DATE ISSUED: February 23, 2010 Item No. 10-003

ATTENTION: Honorable Chair and Members of the Redevelopment Agency and the
City Council of the City of San Diego
Docket of March 23, 2010

ORIGINATING DEPT: Southeastern Economic Development Corporation

SUBJECT: Lead Safe San Diego Program – Agreement with the San Diego Housing Commission

Council District: Eighth and Fourth

REQUESTED ACTIONS:

Recommend that the Agency:

1. Make certain findings of benefit for the use of the Agency's Low and Moderate Income Housing Funds from the Southcrest Redevelopment Project Area's 2007A Taxable Bond proceeds (Housing Funds) outside the project area for the Lead Safe San Diego Program (Program);
2. Approve an Agreement between the Agency and the SDHC for the (LSSD) and authorize the Executive Director or designee to execute, on the Agency's behalf, the Agreement and associated documents;
3. Authorizing the Chief Financial Officer, as delegated, to appropriate and expend \$150,000 from Housing Funds for the purpose of the Lead Safe San Diego Program pursuant to the Agreement.

And, that the City Council:

1. Make certain findings of benefit for the use of the Housing Funds outside the project area for the Lead Safe San Diego Program.

STAFF RECOMMENDATION: Approve the requested actions.

SUMMARY: This use of Southcrest low-moderate income housing 20% set-aside funds (Housing Funds) for the Lead Safe San Diego Program would provide for the removal of lead hazards in affordable rental housing within the SEDC Area of Influence, fulfilling many of the Southcrest Redevelopment Plan objectives such as preservation of residential properties and provision of affordable housing.

BACKGROUND: The San Diego Housing Commission (SDHC) has been implementing the Lead Safe Neighborhoods Program since 2002 and the Lead Safe San Diego (LSSD) Program since 2005. The LSSD has provided lead hazard remediation for over 700 residences in partnership with the U. S. Department of Housing and Urban Development (HUD) through grants provided to the SDHC.

DISCUSSION: The LSSD goal is to eliminate childhood lead poisoning by removing sources of lead exposure. The LSSD is a coalition of San Diego government, community-based and non-profit organizations, the

Environmental Health Coalition, along with the SDHC as the lead agency for the LSSD program. A grant from the HUD funds the program, with a requirement for matching funds.

Agency funding for the LSSD program will be used for rental homes within the SEDC Area of Influence. The LSSD target neighborhoods are based on the age of the homes, the residents' income level and the high percentage of population of children under the age of six. Within southeastern San Diego the target areas are centered on the Dells Imperial and Southcrest neighborhoods.

The lead remediation grants provide up to \$10,000 for single family rental units, or up to \$5,000 per multi-family unit, plus \$5,000 for common areas in a multi-family complex. Occupant household income must be less than 80% of the Area Median Income (\$66,100 for a four-person household in 2009). Eligible costs include lead testing, lead remediation work, clearance inspection and any temporary relocation costs during lead remediation work. The previous overall costs per unit have averaged \$7,500. The \$150,000 Agency funding leveraged with the HUD funds could potentially eliminate lead hazards in forty rental units within the SEDC Area of Influence.

Agreement: The Agreement with the SDHC will provide for \$150,000 in funding from SEDC for the LSSD program for conducting home inspections for the presence of lead based paint and lead hazards and the remediation of lead hazards. The SDHC will use the funds for lead remediation grants for rental properties within the SEDC Area of Influence according to LSSD grant program guidelines and SDHC will enter into an agreement with the rental property owner, which agreement will be recorded against the subject property for a minimum of three years and will require the following:

- Rental to low income households with a child less than six years of age or a woman who is pregnant
- Maintain the affordable rents for three years following completion of the remediation
- No discrimination on the basis of race, religion, sex, age, color, handicap, familial status, national origin or any other classification prohibited by law
- Provide on-going maintenance of all identified lead components and access for periodic monitoring

The SDHC will provide quarterly and annual reports to Agency outlining the progress of the program, the number of grants, addresses, dates, and amount of funds leveraged from other sources. The SDHC will waive any administrative fees from the Agency in consideration of Agency's provision of the funds for the LSSD program.

FISCAL CONSIDERATION: Funding in the amount of \$150,000 is available in the SEDC FY 2010 Program Budget from the Southcrest Housing funds' 2007 A Taxable Bond Proceeds. These expenditures were included in the FY2010 budget, and were taken into account when determining the project area's ability to fund its estimated portion of the State's ERAF Take, and will not impact the Agency's ability to make the FY 2010 ERAF Payment at such time it becomes legally obligated to do so.

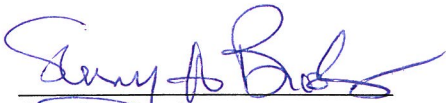
FINDINGS: The Agency and the Council each will need to make findings that the use of Housing Funds for this affordable housing rehabilitation project outside the Project Area will be of benefit to the Project Area. The remediation of lead hazards through the LSSD program is expected to provide affordable housing opportunities to the residents of the Project Area, to preserve and rehabilitate existing residential properties, and to provide housing affordable to low income families. Additionally, the relatively low per-unit subsidy of \$7,500 on average per unit by the Agency will maximize the use and effectiveness of the Housing Funds.

ENVIRONMENTAL IMPACT: This activity is exempt from CEQA pursuant to State CEQA Guidelines Section 15301 (existing facilities).

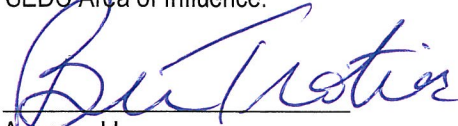
KEY STAKEHOLDERS: The key stakeholders are current and future low income residents of the SEDC Area of Influence, and residents of the Southcrest Redevelopment Project Area.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: On January 13, 2010, the SEDC Board of Directors' Projects and Development Committee recommended approval of the staff recommendation and on January 27, 2010, the SEDC Board of Directors approved the staff recommendation.

CONCLUSION: The Southcrest Redevelopment Plan goals include the preservation and rehabilitation of existing affordable residential units in the area and the removal of lead hazards in homes through the LSSD program will provide for the health and safety of low income residents in the SEDC Area of Influence.



Submitted by
Sherry A. Brooks
Project Manager



Approved by:
Brian L. Trotier
Acting President / C.E.O.

Attachment No. 1 – Agreement with the San Diego Housing Commission for the Lead Safe San Diego Program
Attachment No. 2 – Children at Risk for Lead Poisoning in San Diego Flyer