

**COUNTY OF SAN DIEGO
HOUSING AUTHORITY
WEDNESDAY, NOVEMBER 05, 2025**

MINUTE ORDER NO. 1

**SUBJECT: NOTICED PUBLIC HEARING:
ADOPT A RESOLUTION APPROVING THE FINANCIAL REPOSITIONING OF PUBLIC HOUSING UNITS THROUGH THE HUD RENTAL ASSISTANCE DEMONSTRATION/SECTION 18 SMALL PUBLIC HOUSING AUTHORITY BLEND CONVERSION; AUTHORIZE THE APPLICATION FOR THE FINANCIAL REPOSITIONING, THE TRANSITION OF THE PUBLIC HOUSING PROGRAM TO A PROJECT-BASED FUNDING PLATFORM, THE FORMATION OF ONE OR MORE SEPARATE LEGAL ENTITIES, THE DECLARATION OF SURPLUS LAND AND ISSUANCE OF REQUEST FOR PROPOSALS TO PARTNER WITH AN AFFORDABLE HOUSING DEVELOPER; FIND THAT THESE ARE NOT PROJECTS DEFINED IN THE STATE CEQA GUIDELINES (DISTRICTS: ALL)**

OVERVIEW

The Housing Authority of the County of San Diego (County Housing Authority) currently owns and operates 121 Public Housing rental units at four developments (Properties) located in the City of Chula Vista. These Properties are operated under the United States Department of Housing and Urban Development (HUD) Public Housing Program. To allow housing authorities access to additional funding sources to meet the growing operating and capital needs of local Public Housing sites, HUD provides several strategies for housing authorities to financially reposition, or convert, the Public Housing subsidy into other HUD platforms. The County Housing Authority is seeking to convert the Properties to project-based vouchers through the Rental Assistance Demonstration/Section 18 Small Public Housing Authority Blend (RAD/ Section 18 Small PHA Blend) process.

After a RAD/Section 18 Small PHA Blend conversion, HUD will continue to provide rental assistance through a Section 8 Project-Based Voucher Housing Assistance Payment contract, ensuring the property remains permanently affordable. This ensures the residents continue to pay an affordable rent and benefit from the same rights and protections experienced under the Public Housing program. Financially repositioning through this process will allow the County Housing Authority to preserve affordable housing units, address rehabilitation and physical needs, and allow for a ground lease to a qualified affordable housing developer to further improve and preserve these affordable housing opportunities well into the future.

Today's action requests the Housing Authority Board of Commissioners (Board) adopt a resolution authorizing an application to financially reposition the Public Housing Properties through the RAD/Section 18 Small PHA Blend and authorize the Executive Director of the County Housing Authority, or designee, to execute all related forms, certifications, and legal documents related to the conversion of the Public Housing program. Today's action also authorizes the Executive Director of the County Housing Authority, or designee, to form a separate legal entity for the purpose of transferring ownership of the Properties. Additionally, today's action requests the Board to authorize a Request for Proposal (RFP) for the selection of a qualified affordable housing development partner to manage the Properties after they have converted from Public Housing to a project-based voucher (PBV) development.

Today's action supports the County of San Diego (County) vision of a just, sustainable, and resilient future for all, specifically those communities and populations in San Diego County that have been historically left behind, as well as our ongoing commitment to the regional *Live Well San Diego* vision of healthy, safe, and thriving communities. In addition, this item supports the County Framework for Ending Homelessness and the Housing Blueprint as the programs administered by the County Housing Authority provide affordable housing opportunities for approximately 11,500 low-income households.

RECOMMENDATION(S)

EXECUTIVE DIRECTOR/HEALTH AND HUMAN SERVICES AGENCY DIRECTOR

1. Find, in accordance with Section 15060(c)(3) of the California Environmental Quality Act (CEQA) Guidelines that the adoption of a Resolution to approve Housing Authority of the County of San Diego (County Housing Authority) Rental Assistance Demonstration/ Section 18 Small Public Housing Authority Blend (RAD/Section 18 Small PHA Blend) Conversion of Public Housing and to authorize the Executive Director of the County Housing Authority, or designee, to execute all required certifications for submittal to the United States Department of Housing and Urban Development, the declaration of Public Housing Properties as exempt surplus land, and the issuance of a Request for Proposals are administrative in nature, and; therefore, are not projects as defined in the state CEQA Guidelines Section 15378.
2. Authorize the Executive Director, or designee, of the County Housing Authority to submit an application for the financial repositioning of the Public Housing Properties through RAD/Section 18 Small PHA Blend and authorize the County Housing Authority Executive Director, or designee, to execute all related HUD forms, certifications, and legal documents.
3. Authorize the Executive Director, or designee, of the County Housing Authority to transition to a project-based voucher building and execute all related documents, and upon successful conversion completion, close out the current Public Housing program.
4. Adopt a resolution entitled: A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN DIEGO AUTHORIZING APPLICATION FOR, AND RECEIPT OF, RENTAL ASSISTANCE DEMONSTRATION/SECTION 18 SMALL PUBLIC HOUSING AUTHORITY BLEND (RAD/ SECTION 18 SMALL PHA BLEND) CONVERSION.
5. Authorize the Executive Director, or designee of the County Housing Authority to enter into, execute, and deliver, on behalf of the County Housing Authority, any and all filings, agreements, documents and instruments required or deemed necessary or appropriate to establish one or more separate legal entities for the purpose of transferring ownership of the public housing properties and to take all actions necessary and/or appropriate to implement the same.
6. Declare pursuant to Government Code Section 54221(b) that the Properties located at 778 Dorothy Street, 584 L Street, 1678 Melrose Avenue, 434 F Street, in the City of Chula Vista, are exempt surplus land under Government Code Section 54221(f)(1)(F), because they will be transferred for renovation or redevelopment of affordable housing in accordance with the requirements of those Sections.

7. Authorize the Director, Department of General Services, in consultation with the Executive Director, or designee, of the County Housing Authority to issue a Request for Proposals for potential ground lease and renovations of the Properties, to evaluate the proposals, select proposals for negotiation, and to negotiate with the selected proposers the terms of a Disposition and Development Agreement and/or one or more ground lease(s) for the Properties, as applicable.
8. Hold public hearing to receive public comments on the County Housing Authority’s plan to financially reposition the Public Housing program through the RAD/Section 18 Small PHA Blend.

EQUITY IMPACT STATEMENT

The Housing Authority of the County of San Diego (County Housing Authority) administers various rental assistance programs funded by the United States Department of Housing and Urban Development intended to assist very low-income households to afford decent, safe, and sanitary housing in the private market. This includes 121 Public Housing rental units at four developments located in the City of Chula Vista. As mandated by federal regulations, at least 75 percent of rental assistance applicants must qualify as an extremely low-income family earning 30 percent of the area median income (AMI) or less, and the remaining applicants must not exceed the low-income threshold of 50 percent of the AMI or less.

To ensure equitable access, the County Housing Authority gives priority to applicants who have one or more of the following members in the household: working applicant, elderly person, disabled person, dependent children, homeless applicant, veteran, or surviving spouse of veteran. The participant distribution, as of July 2025, is noted below. Due to the overlapping categories, the total does not equal 100%.

- 44% are elderly and/or disabled single tenants
- 10% are single parents with children in the household
- 29% have children in the household
- 67% have a head or spouse who is either elderly and/or disabled

The County Housing Authority incorporates the “voice of the customer” in policy and budget development through consultation with the Housing Authority Resident Advisory Board. This is accomplished by regularly meeting with the residents living in the Housing Authority Properties, through the inclusion of tenant commissioners on the Housing Authority Board of Commissioners, and by public engagement in the development of the County housing authority policies, programs, operations, and strategies to meet local housing needs and goals.

SUSTAINABILITY IMPACT STATEMENT

Today’s proposed action will advance the County of San Diego (County) Sustainability Goals #1, #2, and #4 by engaging the community in meaningful ways, providing just and equitable access to County services, and protecting the health and well-being of residents.

Sustainability Goals #1 and #3 are accomplished by engaging the public and assisted residents in the policy planning process to create intentional collaborative community engagement opportunities that strengthen healthy, safe, and thriving communities. Sustainability Goal #2 is accomplished by bringing a lived experience lens to the governing body of the County Housing Authority, through the tenant commissioners, when approving program activities such as the Public Housing Agency plan, the annual budget requests for funding, changes in program administration, and implementation of housing programs.

FISCAL IMPACT

Recommendations 1-6

Funds for this request are included in the Fiscal Year (FY) 2025-27 Operational Plan for the Health and Human Services Agency. If approved, this request will result in one-time estimated costs and revenue of \$872,000 in FY 2025-26, \$579,000 in FY 2026-27, and \$1,150,000 in FY 2027-28, for an estimated total cost of \$2,600,000 from FY 2025-26 through FY 2027-28. This includes entity formation costs, environmental review costs, administrative costs, and consultant services. The funding source is existing one-time General Purpose Revenue available for Public Housing Capital Needs. There will be no change in net General Fund costs and no additional staff years.

The Housing Authority of the County of San Diego (County Housing Authority) receives capital funds and operating subsidies, rental assistance, and other income totaling approximately \$1.7 million in annual revenue currently for the Public Housing program. The preliminary analysis shows that the Rental Assistance Demonstration /Section 18 Small Public Housing Authority Blend (RAD/Section 18 Small PHA Blend) would generate approximately \$4.0 million in rental income annually, in addition to over \$0.2 million in administrative fees revenue, further leveraging additional funding sources, such as Housing Assistance Payments (HAP). Based on this preliminary rent analysis, RAD/Section 18 Small PHA Blend is significantly more advantageous financially to the County Housing Authority than the Public Housing program and would therefore benefit the current and future residents. Funds for subsequent years will be incorporated into the future County Housing Authority budget to support future Public Housing Capital Needs.

Recommendation 7

Funds for this request are included in the FY 2025-27 Operational Plan for the Health and Human Services Agency. If approved, this request will result in one-time costs and revenue of approximately \$250,000 in FY 2025-26 for Department of General Services staff and consultant costs related to issuance of the RFP, selection of the developer, negotiation of the terms of the DDA, if applicable, and ground lease. The funding source is the existing one-time General Purpose Revenue available for Public Housing Capital Needs. There will be no change in net General Fund costs and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ACTION:

ON MOTION of Commissioner Aguirre, seconded by Commissioner Montgomery Steppe, the Board of Commissioners took action as recommended, and adopted Resolution No. 25-123, entitled: A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN DIEGO AUTHORIZING APPLICATION FOR, AND RECEIPT OF, RENTAL ASSISTANCE DEMONSTRATION/SECTION 18 SMALL PUBLIC HOUSING AUTHORITY BLEND (RAD/ SECTION 18 SMALL PHA BLEND) CONVERSION.

AYES: Aguirre, Anderson, Montgomery Steppe, Desmond, Higgins

ABSENT: Lawson-Remer, Berry

State of California)
County of San Diego)

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Housing Authority.

ANDREW POTTER
Clerk of the Board of Commissioners



Signed
by Andrew Potter