



EXECUTIVE SUMMARY

HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

DATE: June 16, 2017

HCR17-052

COUNCIL DISTRICT(S): Citywide

ORIGINATING DEPARTMENT: Housing Development Partners

CONTACT/PHONE NUMBER: Emily Jacobs/619-534-3227

REQUESTED ACTION:

Appoint San Diego Housing Commission (Housing Commission) Vice Chair Dorothy Surdi and Commissioner Ben Moraga as members of the Boards of Directors of Housing Development Partners (HDP) and HDP Mason Housing Corporation.

Appoint Gary Gramling and Roberta Spoon as at-large members of the Boards of Directors of HDP and HDP Mason Housing Corporation.

EXECUTIVE SUMMARY OF KEY FACTORS:

- HDP is a nonprofit public benefit corporation established by the Housing Commission in 1990.
- Buildings specially designed for seniors, families, workers and tenants with special needs are among the developments in HDP's real estate portfolio.
- A five-member Board of Directors governs HDP: the San Diego Housing Commission (Housing Commission) President & CEO; two members of the Housing Commission Board of Commissioners; and two at-large members who are appointed by the Housing Commission Board of Commissioners.
- HDP Mason Housing Corporation is a nonprofit public benefit corporation established by HDP in 2011, with the primary mission of facilitating the acquisition and rehabilitation of The Mason in Downtown San Diego. The rehabilitation of The Mason was completed on September 28, 2012, providing permanent supportive housing for 16 adults who were homeless or were at risk of homelessness and who need mental health services.
- HDP Mason Housing Corporation also is governed by a five-member Board of Directors that consists of the same members as the HDP Board of Directors.
- Housing Commission staff recommends that Vice Chair Dorothy Surdi, Commissioner Ben Moraga, Gary Gramling, and Roberta Spoon be appointed to the HDP Board of Directors and to the HDP Mason Housing Corporation Board of Directors.



REPORT

DATE ISSUED: June 8, 2017

REPORT NO: HCR17-052

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of June 16, 2017

SUBJECT: Appoint Board Members to Housing Development Partners (HDP) and
HDP Mason Housing Corporation

COUNCIL DISTRICT: Citywide

REQUESTED ACTION

Appoint San Diego Housing Commission (Housing Commission) Vice Chair Dorothy Surdi and Commissioner Ben Moraga as members of the Boards of Directors of Housing Development Partners (HDP) and HDP Mason Housing Corporation.

Appoint Gary Gramling and Roberta Spoon as at-large members of the Boards of Directors of HDP and HDP Mason Housing Corporation.

STAFF RECOMMENDATION

That the San Diego Housing Commission (Housing Commission) Board of Commissioners take the following actions:

- 1) Appoint Housing Commission Vice Chair Dorothy Surdi and Commissioner Ben Moraga as members of the Boards of Directors of Housing Development Partners (HDP) and HDP Mason Housing Corporation; and
- 2) Appoint Gary Gramling and Roberta Spoon as at-large members of the Boards of Directors of HDP and HDP Mason Housing Corporation.

SUMMARY

HDP is a nonprofit public benefit corporation established by the Housing Commission in 1990. HDP develops and preserves affordable housing for low-income San Diegans through rehabilitation of existing buildings and new construction.

Buildings specially designed for seniors, families, workers and tenants with special needs are among the developments in HDP's real estate portfolio.

A five-member Board of Directors that includes the Housing Commission President and Chief Executive Officer (President & CEO) and two members of the Housing Commission Board of Commissioners governs HDP. The HDP Board of Directors also includes two at-large members who are appointed by the Housing Commission Board of Commissioners.

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HDP Mason Housing Corporation is a nonprofit public benefit corporation established by HDP in 2011, with the primary mission of facilitating the acquisition and rehabilitation of The Mason in Downtown San Diego. The rehabilitation of The Mason was completed on September 28, 2012. Located at 1345 Fifth Avenue, San Diego, CA 92101, The Mason provides permanent supportive housing for 16 adults who were homeless or were at risk of homelessness and who need mental health services.

HDP Mason Housing Corporation also is governed by a Board of Directors that consists of the Housing Commission President & CEO; two members of the Housing Commission Board of Commissioners; and two at-large members appointed by the Housing Commission Board of Commissioners.

Housing Commission staff recommends that Vice Chair Dorothy Surdi, Commissioner Ben Moraga, Gary Gramling, and Roberta Spoon be appointed to the HDP Board of Directors and to the HDP Mason Housing Corporation Board of Directors.

Vice Chair Surdi was appointed to the Housing Commission Board of Commissioners by Mayor Kevin Faulconer on September 26, 2014, and unanimously confirmed by the San Diego City Council on October 28, 2014. She is Chair of the Mission Valley Community Planning Group and a Commercial Real Estate Advisor with Sperry Van Ness Finest City Commercial, where she specializes in investment sales and leasing representation for landlords and tenants.

Commissioner Moraga was appointed to the Board of Commissioners by Mayor Jerry Sanders on October 25, 2010, and confirmed by the City Council on November 16, 2010; reappointed by Mayor Faulconer on September 26, 2014, and confirmed by the San Diego City Council on October 28, 2014. Mr. Moraga has spent several years in the marketing and community relations fields and is the Vice President, Annual Giving and Donor Development, for the Sharp HealthCare Foundation.

Mr. Gramling served on the Housing Commission Board of Commissioners from February 17, 2009, through April 7, 2017, which included seven years as Chairman of the Board. Mr. Gramling, who has more than 30 years' experience in the building industry, earned the prestigious Elizabeth B. Wells Memorial Award from the National Association of Housing and Redevelopment Officials in 2016 for excellence in developing support for housing programs. As a Commissioner, Mr. Gramling has served on the Boards of Directors of HDP and HDP Mason Housing Corporation since 2010.

Ms. Spoon, who has more than 30 years' experience as a Certified Public Account, served on the Housing Commission Board of Commissioners from February 2, 2010, through April 7, 2017, which included six years as Vice Chair. As a Commissioner, Ms. Spoon has served on the Boards of Directors of HDP and HDP Mason Corporation since 2010.

FISCAL CONSIDERATIONS

The proposed action has no fiscal impact.

KEY STAKEHOLDERS and PROJECTED IMPACTS

The key stakeholders of this action are the Board of Directors of HDP, the Board of Directors of HDP Mason Housing Corporation, the Housing Commission Board of Commissioners and the ownership partners and residents of HDP affordable housing developments.

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ENVIRONMENTAL REVIEW

This activity is not a project as defined by the California Environmental Quality Act Section 21065 and State CEQA Guidelines Section 15378(b)(5), as it is an administrative activity of government that will not result in direct or indirect physical changes in the environment. The determination that this activity is not subject to CEQA, pursuant to Section 15060(c)(3), is not appealable and a Notice of Right to Appeal the Environmental Determination (NORA) is not required. Processing under the National Environmental Policy Act is not required as no federal funds are involved in this action.

CONFLICT DISCLOSURE:

HDP and HDP Mason Housing Corporation are 501(c)(3) nonprofit corporations, created to support the functions of the Housing Commission in developing affordable housing in the City of San Diego. Upon the approval of the recommended appointments, Housing Commission Vice Chair Dorothy Surdi, Commissioner Ben Moraga and Housing Commission President & CEO Richard C. Gentry, will serve as non-compensated Directors of HDP and HDP Mason Housing Corporation. Vice Chair Surdi and Commissioner Moraga are not compensated for their service on the Housing Commission Board of Commissioners. Vice Chair Surdi, Commissioner Moraga and President & CEO Gentry are subject to certain federal, state and local conflict of interest regulations that govern decisions and contracts made by public officials.

The California Political Reform Act (Government Code §87100 et seq.) generally prohibits public officials from making governmental decisions in which they have certain enumerated financial interests. No member of the HDP Board of Directors, the HDP Mason Housing Corporation Board of Directors, or the Housing Commission Board of Commissioners is financially interested in HDP or HDP Mason Housing Corporation as defined in the Political Reform Act, because they are not compensated for their service to these bodies and because HDP and HDP Mason Housing Corporation are not operated for-profit. (Gov. C. §87103(d); §82005.)

California Government Code §1090 generally prohibits a public official from being financially interested in any contracts made in his/her official capacity, or by anybody or board of which he/she is a member. Even though no contract is contemplated by this action, the activities of the Commissioners and President & CEO are not prohibited under Section 1090. The California Legislature has recognized certain situations in which the public official is not deemed interested in a contract. (Gov. C. §1091.5.) When the public official's only interest in a contract is that of a non-compensated member of a nonprofit organization involved in the contract, the public official is deemed not to be interested in the contract, provided that the interest is disclosed in the official records. (Gov. C. §1091.5(a)(7) and (a)(8).) Vice Chair Surdi and Commissioner Moraga will serve HDP and HDP Mason Housing Corporation as members of HDP's and HDP Mason Housing Corporation's governing boards, which interest is considered a "non-interest" for purposes of §1090. Vice Chair Surdi and Commissioner Moraga are not prohibited from making any contract between the Housing Commission and HDP or HDP Mason Housing Corporation in their official capacity as Commissioners. Mr. Gentry has the same non-interest in HDP and HDP Mason Housing Corporation pursuant to §1091.5(a)(7) and (a)(8) as a non-compensated director of HDP and HDP Mason Housing Corporation.

No Commissioner has a prohibited financial interest in HDP or HDP Mason Housing Corporation that would legally preclude their participation in a hearing on the matters presented in this Report, under the provisions of federal, state and local conflict of interest law. Furthermore, Vice Chair Surdi and Commissioner Moraga are legally entitled to vote and be counted for quorum purposes at any meeting of

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the Housing Commission Board of Commissioners discussing HDP or HDP Mason Housing Corporation. President & CEO Gentry does not vote on matters before the Housing Commission Board of Commissioners, although he too has no conflict of interest under federal, state or local law.

In addition, the local Ethics Ordinance mirrors the provision of state law, as it affects Vice Chair Surdi and Housing Commissioner Moraga and the President & CEO of the Housing Commission. None of them has any conflict of interest in connection with this matter.

It is requested by General Counsel that this disclosure be included within the official minutes of the action by the Board of Commissioners concerning this matter in accordance with the provisions of applicable law.

Respectfully submitted,

Charles B. Christensen

Charles B. Christensen
General Counsel
San Diego Housing Commission

Approved by,

Jeff Davis

Jeff Davis
Executive Vice President & Chief of Staff
San Diego Housing Commission

Hard copies are available for review during business hours at the security information desk in the main lobby and the fifth floor reception desk of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials in the "Public Meetings" section of the San Diego Housing Commission website at www.sdhc.org.