



MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
MAY 10, 2024
SMART CORNER
4th FLOOR CONFERENCE ROOM
1122 BROADWAY
SAN DIEGO, CALIFORNIA 92101**

ATTENDANCE

Present:

Chair Eugene “Mitch” Mitchell
Vice Chair Ryan Clumpner
Commissioner Stephen P. Cushman
Commissioner Johanna Hester
Commissioner Kellee Hubbard
Commissioner Antoine “Tony” Jackson
President & CEO Lisa Jones
General Counsel Chuck Christensen

Not Present:

Commissioner Melinda K. Vásquez

10 CALL TO ORDER

Chair Mitchell called the Regular Meeting to order at 9:06 a.m.

20 NON-AGENDA PUBLIC COMMENT

Joy Sunyata spoke about a proposed homelessness shelter in the City of San Diego.

Crystal Vega, Daniel, Beverly St. Germaine, Brice Griggs, Serafima, and Barbara Walker commented about Kearny Vista Apartments.

Josh Tremble spoke about experiencing homelessness in the City of San Diego.

Ellis Rose spoke about Cypress Apartments.

30 COMMISSIONER COMMENTS

Vice Chair Clumper requested the monthly update regarding shelter bed availability. Interim Senior Vice President of Homelessness Innovations Casey Snell said that as of April 30, 2024, the Housing Commission has received 17,834 referrals for shelter for year, of which 19 percent were completed. For the month of April, there were 1,821 referrals, of which 18 percent were completed. The number was slightly lower – down from 19 percent in March – because shelter intakes had to be suspended temporarily for the transition of the shelter at Golden Hall from the first floor to the second floor and due to the prioritization of some beds for people displaced by the January 22,



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2024, storms who were in the County of San Diego’s Emergency Temporary Lodging Program. She also noted that for the first time in recent memory, one of the top five reasons why households seeking shelter could not be placed in shelter was because there was not enough shelter for families for the month of April. During the month, there were 110 referrals for family shelter in April, and there are only 51 units available in the City of San Diego that the Housing Commission and the City fund, with only one or two units becoming available each month. The higher number of families is likely related to the increased number of families that were impacted by the flooding in January.

Chair Mitchell spoke about the Housing Commission’s budget for the upcoming fiscal year, noting that budget discussions occurring at the city and state level are significant, serious and not likely to be resolved in the short-term. A two-and-a-half- or three-year outlook is necessary when considering budgets. Rents are rising rapidly. During times of crisis, it helps to be collaborative and creative. He expressed appreciation for the Housing Commission staff and the work they do every day. Addressing the housing and homelessness crisis requires talking about it as a comprehensive plan among many organizations instead of single-entity components, and the Housing Commission needs to take the lead. He said he is excited to have conversations with the City about safe parking lots, the possibility of a 1,000-bed structure, more housing production, and a focus on homelessness prevention. He urged the Housing Commission staff to continue to do what they have been doing.

40 REPORT BY PRESIDENT & CHIEF EXECUTIVE OFFICER

Housing Commission’s Assistance for Flood-Affected Households

The Housing Commission continues to collaborate with the City and the County to assist households affected by the January floods who are in the County’s Emergency Temporary Lodging Program. On April 30, 2024, the County Board of Supervisors extended the program to continue to provide temporary lodging through June 21. City of San Diego staff are primarily responsible for initial housing assessments of City residents in the County program. In recent weeks, Housing Commission staff has been assisting the City of San Diego with the housing assessments for some households impacted by the flooding. In addition to the assessments that City staff is performing, approximately 230 households have been designated for the Housing Commission to complete housing assessments. The housing assessments assist in determining the housing needs of the client, including whether a household is seeking to return to their previous unit or is interested in finding a new affordable unit. When a housing assessment identifies a household as interested in finding a new unit our unit search team engages with them to assist with their housing search. The Housing Commission also has held housing search workshops and encourages landlords to post their available units online at affordablehousing.com.

Additionally, the County Board of Supervisors on April 30 included the allocation of approximately \$4.3 million to the Housing Commission to provide further assistance for City residents in the County’s program. Housing Commission staff is meeting with County officials about the details for obtaining and using these funds. The Housing Commission’s Rental Assistance Division is developing a program to apply these funds through a variety of initiatives to assist flood-affected households currently in the County program.



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Affordable Housing Preservation Ordinance Update

As part of the Housing Commission’s ongoing efforts to support the preservation of deed-restricted affordable housing, the Housing Commission monitors an affordable housing database, which includes 1,427 deed-restricted affordable housing units in service today that are at risk of losing their affordability during the four-year period from January 1, 2024, through December 31, 2027. Deed restrictions on these properties require their rents to remain affordable for households at specified lower income levels. However, those deed restrictions will be expiring. Housing preservation staff further analyzed these properties and determined that of those 1,427 units, 590 are at high risk of potential conversion to market-rate properties in the next four years. Their owners have indicated they are uncertain about what they will do with their properties, or they are considering or already are pursuing market-rate options. There also are no other barriers in place that would prevent these 590 units from being converted to market-rate after their deed restrictions expire. The remaining 882 units are at lower levels of risk for a variety of reasons, such as: other affordability restrictions related to their financing will remain in place for several additional years; they are owned by affordable housing developers or social service organizations that are likely to retain affordability because of their organization’s history of renewals and their mission; or they have HUD rental assistance contracts and a history of renewing affordability. The Housing Commission continues to work as quickly as possible on a proposed deed-restricted affordable housing preservation ordinance to assist with maintaining affordability at properties citywide. Last November, the City Council’s Land Use and Housing Committee approved the framework and directed the Housing Commission to work with the City Attorney’s Office to draft an ordinance. Housing Commission preservation. This month, the Housing Commission plans to kick off stakeholder meetings to receive input about the proposed ordinance. And this fall, the Housing Commission will be presenting the proposed ordinance to the Land Use and Housing Committee for consideration, as they directed.

Development Updates of Housing Commission Partnership Developments

In recent weeks, the Housing Commission has participated in grand opening and groundbreaking celebrations for the following partnership developments of affordable housing:

Grand Openings:

- **ShoreLINE apartments** – Provides 124 new affordable apartments for families with low income. The Housing Commission awarded 25 housing vouchers and authorized \$31.4 million in tax-exempt Multifamily Housing Revenue Bonds and \$24.5 million in taxable bonds to support this development. ShoreLINE was built on Metropolitan Transit System land adjacent to the Grantville Trolley Station.
- **Puesta Del Sol** – Provides 59 affordable units for seniors with low income, including six units for seniors who experienced homelessness. The Housing Commission awarded a \$4 million loan to support this development in the Linda Vista community of San Diego and 59 housing vouchers to help pay rent for the residents at this property.



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Groundbreaking:

- **Cuatro at City Heights** – Will transform four vacant sites along two major thoroughfares in City Heights into 115 transit-oriented, affordable rental apartments for families with lower income and veterans experiencing homelessness. The Housing Commission awarded 48 housing vouchers and authorized more than \$47 million in tax-exempt Multifamily Housing Revenue Bonds and \$30 million in taxable bonds toward the development’s financing.

50 APPROVAL OF THE MINUTES

The amended minutes of the Regular Housing Commission meeting of April 12, 2024, were approved on a motion by Commissioner Jackson, seconded by Commissioner Hubbard, and passed by a vote of 6-0.

ACTION AGENDA:

100 HCR24-042 Fiscal Year 2025 Moving to Work Annual Plan Amendment Approval

Debra Fischle-Faulk, Senior Vice President of Equity Assurance, and Nancy Sa, Director of Equity Assurance, presented the request for approval.

Motion by Commissioner Hubbard to take the following staff recommended actions. Seconded by Commissioner Jackson and passed by a vote of 6-0.

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

- 1) Approve the Fiscal Year (FY) 2025 Moving to Work (MTW) Annual Plan Amendment.
- 2) Authorize the President & Chief Executive Officer, or designee, to execute all documents and instruments necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions as are necessary and/or appropriate to implement these approvals, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each Housing Commissioner.

101 HCR24-040 Approval of the Operating Agreement between the San Diego Housing Commission and Father Joe’s Villages to operate the City of San Diego’s Day Center for Persons Experiencing Homelessness

Casey Snell, Interim Senior Vice President of Homelessness Housing Innovations, and Melissa Kolts, Senior Program Analyst, Homelessness Housing Innovations Division, presented the request for approval.

Public testimony by Joy Sunyata.



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Motion by Commissioner Cushman to take the following staff recommended actions. Seconded by Commissioner Jackson and passed by a vote of 6-0.

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

- 1) Authorize the execution of a 12-month initial contract, with two one-year options to renew, with Father Joe's Villages in the amount of \$914,235 to operate the Day Center for Persons Experiencing Homelessness at 299 17th St., San Diego, 92101, for the term of July 1, 2024, to June 30, 2025. The requested action is contingent on the City of San Diego making funds available through its annual fiscal year budgeting process and exercising the first of three one-year options to renew the Master Memorandum of Understanding between the City of San Diego and the Housing Commission for the administration of homelessness programs.
- 2) Authorize the Housing Commission's President and Chief Executive Officer (President and CEO), or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form and format approved by General Counsel, and to take such actions necessary and/or appropriate to implement these approvals, provided that a copy of the documents, signed as to form by General Counsel, are submitted to each Housing Commissioner.
- 3) Authorize the Housing Commission's President and CEO, or designee, to substitute funding sources and/or increase compensation by not more than 20 percent of the total agreement amount for the proposed agreement, if necessary, without further action by the Housing Commission Board or the Housing Authority of the City of San Diego, but only if and to the extent that funds are determined to be available for such purposes.

102 HCR24-052 Authorization to accept \$35,000,000 in State of California (State) Homekey Program Funds, \$17,806,432 in City of San Diego HOME Investment Partnerships American Rescue Plan (HOME-ARP) funds, \$17,806,432 in County of San Diego American Rescue Plan Act (ARPA) funds, and \$1,100,000 in San Diego Regional Task Force on Homelessness funds; authorization to utilize \$2,400,000 in Moving to Work (MTW) funds; authorization to expend \$74,112,864 to support the proposed acquisition and rehabilitation of the Extended Stay America at 2087 Hotel Circle South; and authorization to acquire and rehabilitate the Extended Stay America at 2087 Hotel Circle South, to be known as Presidio Palms, all contingent upon the Housing Authority of the City of San Diego approving these proposed funding sources and uses in the San Diego Housing Commission's proposed Fiscal Year 2025 Budget

Jeff Davis, Deputy Chief Executive Officer, and Buddy Bohrer, Vice President of Real Estate Finance and Acquisitions, Real Estate Division, presented the request for approval.



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Motion by Commissioner Cushman to take the following staff recommended actions. Seconded by Commissioner Hester and passed by a vote of 6-0.

That the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) recommend that the Housing Authority of the City of San Diego (Housing Authority) take the following actions:

- 1) Authorize the Housing Commission to accept and expend \$35,000,000 in State Homekey Program funds, \$17,806,432 in City of San Diego HOME Investment Partnerships American Rescue Plan (HOME-ARP) funds, \$17,806,432 in County of San Diego American Rescue Plan Act (ARPA) funds, and \$1,100,000 in San Diego Regional Task Force on Homelessness funds and expend \$2,400,000 of Moving to Work (MTW) funds to support the proposed acquisition and rehabilitation of the Extended Stay America at 2087 Hotel Circle South, San Diego, CA 92108, which will be known as Presidio Palms and will consist of 161 affordable rental housing units for people experiencing homelessness with income up to 30 percent of San Diego's Area Median Income (AMI) and two manager's units. The proposed action is contingent upon the Housing Authority approving these proposed funding sources and uses in the Housing Commission's proposed Fiscal Year 2025 Budget.
- 2) Authorize the Housing Commission to acquire the Extended Stay America property, pursuant to that certain Purchase and Sale Agreement (PSA) for the Extended Stay America at 2087 Hotel Circle South, San Diego CA, 92108, dated April 20, 2023, with the seller ESA P Portfolio LLC, a Delaware limited liability company. The proposed action is contingent upon the Housing Authority approving the proposed funding sources and uses for this purpose in the Housing Commission's proposed Fiscal Year 2025 Budget.
- 3) Authorize the Housing Commission's President and Chief Executive Officer (President and CEO), or designee, to take such actions and perform such acts as are necessary to acquire the Extended Stay America at 2087 Hotel Circle South, San Diego, CA 92108, a 68,709-square-foot building, for the price of \$57,000,000. ESA P Portfolio LLC shall provide clear fee simple title upon acquisition of the property. The proposed action is contingent upon the Housing Authority approving the proposed funding sources and uses for this purpose in the Housing Commission's proposed Fiscal Year 2025 Budget.
- 4) Authorize the Housing Commission's President and CEO, or designee, to execute and record an affordability covenant against the Extended Stay America property, to be known as Presidio Palms, for 55 years, with 161 units required to remain affordable for households experiencing homelessness with income at or below 30 percent of AMI. Of the 165 total units at acquisition, two units will be converted to use as unrestricted service provider offices, and two units will be utilized as property manager's units, for 163 total studio units.



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- 5) Authorize the Housing Commission to purchase of the Extended Stay America property and complete all associated closing activities and pay all closing costs, as well as remediation and upgrades to the property, utilizing \$35,000,000 in State Department of Housing and Community Development Homekey Program Round 3 (Homekey) funds; \$17,806,432 in City of San Diego HOME Investment Partnerships American Rescue Plan (HOME-ARP) funds; \$17,806,432 in County of San Diego American Rescue Plan Act (ARPA) funds; \$1,100,000 in San Diego Regional Task Force on Homelessness funds, and \$2,400,000 in Moving to Work (MTW) funds. The proposed action is contingent upon the Housing Authority approving the proposed funding sources and uses for this purpose in the Housing Commission's proposed Fiscal Year 2025 Budget.
- 6) Authorize the Housing Commission's President and CEO, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions as are necessary and/or appropriate to implement these approvals upon the advice of General Counsel, to allow the Housing Commission to acquire the Extended Stay America property on terms and conditions described in this report, as approved by General Counsel of the Housing Commission. Housing Commission staff will notify the Housing Authority and the City Attorney's Office about any subsequent amendments or modifications to the documents, and other required documents, including amendments to any documents.
- 7) Approve all budgets associated with the purchase and rehabilitation of the Extended Stay America property, to be known as Presidio Palms. This includes the transfer and/or reallocation of funds between any and all funding use line items within the total approved development/project budget, provided the total project/development budget amount after any and all transfers/reallocations does not exceed the previously approved budget total, in any instances when the operational need(s) arise and/or when such actions are to the benefit of the Housing Commission and its mission. The proposed action is contingent upon the Housing Authority approving the proposed funding sources and uses for this purpose in the Housing Commission's proposed Fiscal Year 2025 Budget.
- 8) Authorize the Housing Commission's President & CEO, or designee, to take such actions and perform such acts as necessary for the recruitment and hiring of staff for the ongoing operations of Presidio Palms. The proposed action is contingent upon the Housing Authority approving the proposed funding sources and uses for this purpose in the Housing Commission's proposed Fiscal Year 2025 Budget.

103 HCR24-027 San Diego Housing Commission Proposed Fiscal Year 2025 Budget

Suket Dayal, Executive Vice President of Business Administration and Chief Financial Officer, and Christelle Van Der Windt, Vice President of Financial Operations, presented the request for approval.



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Motion by Commissioner Hester to take the following staff recommended actions. Seconded by Commissioner Jackson and passed by a vote of 6-0.

That the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) recommend that the Housing Authority of the City of San Diego (Housing Authority) take the following actions:

- 1) Approve the Housing Commission’s proposed \$715 million Fiscal Year (FY) 2025 Budget (Attachment 1).
- 2) Delegate authority to the Housing Commission Board of Commissioners (Board) to approve amendments to the FY 2025 Budget for the following amounts, consistent with prior delegation of authority from the Housing Authority:
 - a. Line-item transfers not to exceed \$500,000 of budget authority that do not impact the overall size of the Housing Authority approved FY 2025 Budget;
 - b. Additional funding for the FY 2025 Budget resulting from applications submitted with the approval of the Housing Authority (per Housing Authority Resolution 1569); and
 - c. Additions from other sources, not to exceed \$500,000 on an individual basis, to the FY 2025 Budget.
- 3) Delegate authority to the Housing Commission’s President and Chief Executive Officer to amend the FY 2025 Budget for amounts not to exceed \$250,000 consistent with policies, programs and activities approved by the Housing Commission and Housing Authority.

104 HCR24-051 Workshop & Discussion: Kearny Vista Apartments

This item was not presented.

105 HCR24-046 Workshop & Discussion: Low-income Housing Tax Credits

Jennifer Kreutter, Vice President of Multifamily Housing Finance, Real Estate Division, presented an informational workshop regarding Low-income Housing Tax Credits as a source of financing for affordable housing developments. No action was taken on this item.

CLOSED SESSION:

The San Diego Housing Commission met in closed session on Friday, May 10, 2024, at 11:32 a.m. with the following agenda:

- I. Announcement by Counsel of the Matters to be discussed in Closed Session and the basis upon which each will be discussed, as referenced within the Brown Act.



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- II. Public Testimony and Comment, if any, concerning any matter on the Closed Session Agenda.

Public testimony by Francine Maxwell and Parisa Ijadi-Maghsoodi regarding *Black Men and Women United San Diego vs. San Diego Housing Commission, et. al.*

- III. Commissioner comments, if any.

There were no Commissioner comments.

- IV. Commission will convene in closed session to consider the following agenda:

- A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION pursuant to subdivision (c) of section 54954.5 of the Government Code and pursuant to subdivision (d)(1) of section 54956.9:

Two (2) matters:

Californians for Equal Rights Foundation v. City of San Diego, Housing Authority of the City of San Diego and San Diego Housing Commission
U.S. District Court Case No. 24-CV-0484-MMA-MSB

Counsel will discuss the litigation.

Black Men and Women United San Diego vs. San Diego Housing Commission, et. al.
San Diego Superior Court Case No. 37-2023-00047874-CU-CR-CTL

Counsel will discuss the litigation.

- B. CONFERENCE WITH LABOR NEGOTIATORS pursuant to Government Code section 54957.6:

Agency Representatives: Lisa Jones, Jeff Davis, Suket Dayal, Michael McKenna, Tina Holmes, Charles B. Christensen and Joel Mason for the San Diego Housing Commission

Employee Organization: Service Employees International Union, Local 221, AFL-CIO

Counsel's Description of General Nature of Closed Session: Agency Representatives will seek direction from the Commission concerning labor



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negotiations.

V. Announcement of Actions Taken in Closed Session.

These matters were informational only. No action was taken.

ADJOURNMENT:

Chair Mitchell adjourned the Regular Meeting at 12 p.m.

Respectfully submitted,

Scott Marshall

Scott Marshall
Vice President
Communications and Government Relations
San Diego Housing Commission

Approved by,

Jeff Davis

Jeff Davis
Deputy Chief Executive Officer
San Diego Housing Commission