



SAN DIEGO  
HOUSING  
COMMISSION

## MINUTES

**SAN DIEGO HOUSING COMMISSION  
MINUTES OF THE REGULAR MEETING  
JULY 19, 2024  
SMART CORNER  
4<sup>th</sup> FLOOR CONFERENCE ROOM  
1122 BROADWAY  
SAN DIEGO, CALIFORNIA 92101**

### **ATTENDANCE**

Present:

Vice Chair Ryan Clumpner  
Commissioner Stephen P. Cushman  
Commissioner Kellee Hubbard  
Commissioner Antoine “Tony” Jackson  
Commissioner Melinda K. Vásquez  
President & CEO Lisa Jones  
General Counsel Chuck Christensen

Not Present:

Chair Eugene “Mitch” Mitchell  
Commissioner Johanna Hester

### **10      CALL TO ORDER**

Vice Chair Clumpner called the Regular Meeting to order at 9:05 a.m.

### **20      NON-AGENDA PUBLIC COMMENT**

Joy Sunyata spoke about the San Diego Housing Commission’s (Housing Commission) Strategic Plan and the City Council’s call for nominations for the Housing Commission Board of Commissioners.

Irma Shute spoke about negotiations with Service Employees International Union Local 221.

Lourdes De la Torre spoke about adults with disabilities and their need for housing.

Joni Halpern spoke about the Mariner’s Cove project.

### **30      COMMISSIONER COMMENTS**

Commissioner Vásquez said the Housing Commission cares about affordable housing and the public, and the creation of the Housing Commission Board was unique from other agencies across the country. Everyone on the Housing Commission Board truly cares about building affordable housing and being innovative in creating affordable housing.



## Regular Meeting Minutes of July 19, 2024

Commission Cushman said it is very difficult when staff do not work in the office. For the vulnerable population, staff need to be in the office to talk to each other, work on solutions, and how to better serve this population. People in this population also need to see one another. Commissioner Cushman said he supports labor and has worked with Service Employees International Union over many years, but he would like for Housing Commission staff to resume working in the office.

Commissioner Jackson said Housing Commission staff need to be in the office at least a few days per week. The population the Housing Commission serves needs to see staff and interact with them in person.

Commissioner Vásquez said she agreed with Commissioners Cushman and Jackson and that a hybrid model for work is common after the COVID pandemic. Being in the office is beneficial for the population the Housing Commission serves and the public, and it is beneficial for building camaraderie among staff.

Commissioner Hubbard said she also agreed that working in person is important. It supports the organization's culture, and there are times when staff need to be in the office.

Vice Chair Clumpner said he appreciated the comments of his fellow Commissioners and that he appreciated how the Housing Commission's workforce has continued to provide public services amid an increasing demand for the Housing Commission's resources during unprecedented circumstances in the past four years since the onset of the COVID pandemic. Housing Commission staff did a fantastic job during a difficult situation.

Vice Chair Clumper requested the monthly update regarding shelter bed availability. Interim Senior Vice President of Homelessness Housing Innovations Casey Snell stated that in June, 295 referrals for shelter were completed, which is 17 percent of the referrals received, and 1,441 referrals for shelter were not met. Intakes to the shelter at Golden Hall were temporarily suspended on June 6, 2024, which may have caused the percentage of completions to decline a couple of points. For Fiscal Year 2024, 21,217 total referrals for shelter were processed, of which 19 percent, or 4,063 referrals, were completed, and 17,154 referrals, or 81 percent of the total referrals, were not met. The top three reasons for not being able to complete shelter placements were the unavailability of a top bunk for males, unavailability of a bottom bunk for males, and unavailability of a bottom bunk for females. President & CEO Jones said the Coordinated Shelter Intake Program consists of two Housing Commission staff and one supervisor and operates seven days per week year-round, except for City of San Diego holidays. President & CEO Jones added that the Housing Commission is hoping that, effective August 1, City of San Diego safe sleeping sites available at O Lot and beds available at Seniors Landing will become part of the Coordinated Shelter Intake Program.

Regular Meeting Minutes of July 19, 2024

**40      REPORT BY PRESIDENT & CHIEF EXECUTIVE OFFICER**

**Kearny Vista Heating and Air Conditioning System Updates**

The funding available for the rehabilitation of the Housing Commission's affordable housing properties was more limited this year than in previous years. But one of the larger items included in the Housing Commission's approved budget for this fiscal year was the replacement of air conditioning and heating systems (HVAC) at the Housing Commission's Kearny Vista property. That project is underway. Of the 144 units at Kearny Vista, which includes two managers' units, the HVAC replacement has been completed at 34 units. Another 16 units are currently in process. In the upcoming months, the remaining 94 units will be completed. When all units are completed, the Housing Commission will have invested more than \$2 million in HVAC system improvements for the units at this property alone. If an HVAC system stops working, property management and the service providers for this site work with tenants to provide temporary solutions until the HVAC system can be replaced. This includes providing portable air conditioners, cooling fans and portable heaters for affected residents.

**California State Budget**

On June 29, 2024, Governor Gavin Newsom signed the State Budget into law. The State experienced a difficult budget season this year as well. The final budget addressed a \$46.8 billion deficit through a variety of measures agreed upon by the Governor and leadership in the State Senate and Assembly. The State's budget does include an additional \$500 million in Low-Income Housing Tax Credits. Many of the bond-related items that are presented to the Housing Commission Board utilize tax credits that are a crucial source of financing for the creation and rehabilitation of affordable rental housing units. The U.S. Department of Housing and Urban Development describes the Low-Income Housing Tax Credit program as "the most important resource for creating affordable housing in the United States today."

The State budget also restored \$315 million for the Multifamily Housing Program. While this is a \$10 million reduction in funding for this program, it is good news that funding was restored for the program. The Multifamily Housing Program is another source of funding that supports the creation of affordable housing. For example, financing for the Levant Senior Cottages development in Linda Vista, which celebrated its grand opening on May 30, 2024, included a state Multifamily Housing Program loan. Additionally, the State's Homeless Housing, Assistance and Prevention program (HHAP) is one of the most significant sources of funding for ongoing homelessness shelters and services programs in the City of San Diego. These include many of the programs the Housing Commission administers on the City's behalf based on the funding allocation decisions the City makes. The State budget allocates \$1 billion for a sixth round of HHAP funding.

State lawmakers also cut funding in the budget for certain programs to help address the State budget deficit. State lawmakers are experiencing the same challenges that exist locally in terms of deciding whether to allocate resources to crisis response or long-term housing. Programs subject to cuts include CalHome, which historically has been an important source of funding for the Housing Commission's first-time homebuyer programs. The state also reduced funding for the Veterans Housing and Homelessness Prevention Program. In the past, this program has awarded funding to



## Regular Meeting Minutes of July 19, 2024

affordable housing developments on which the Housing Commission has collaborated, such as Saint Teresa of Calcutta Villa in downtown San Diego, Vista del Puente in Southcrest, and most recently, the Cuatro at City Heights development, for which the groundbreaking occurred in April.

President and CEO Jones also noted that 10 measures have qualified to appear on the statewide ballot this November. The Housing Commission cannot take a position on any ballot measures but can provide information. Two measures of note are Proposition 5, which would lower the threshold to pass local housing and infrastructure bonds from two-thirds to 55 percent of the vote, and Proposition 33, which would allow local governments to enact rent control. Under this proposition, while rent control would be allowed, local governments would not be required to enact rent control.

The Housing Commission's policy team, led by Molly Weber, work closely with the Housing Commission's legislative consultant in Sacramento. In the past couple of years, the Housing Commission has changed from watching and monitoring to engagement, influence, impact and advocacy at the State level for the resources the City of San Diego needs and how to assist lawmakers to develop good policy.

### **50      APPROVAL OF THE MINUTES**

The minutes of the Regular Housing Commission Meeting of June 21, 2024, were approved on a motion by Commissioner Jackson, seconded by Commissioner Hubbard, and passed by a vote of 5-0.

### **100      HCR24-062      Approval of the Contract Amendment between the San Diego Housing Commission and The Salvation Army to Operate the Haven Interim Shelter Program at 2799 Health Center Drive, San Diego, CA 92123**

Casey Snell, Interim Senior Vice President, Homelessness Housing Innovations Division, and Jonathan Herrera, Director, Homelessness Housing Innovations Division, presented the request for approval.

Public testimony by Joy Sunyata.

Motion by Commissioner Cushman to take the following staff recommended actions. Seconded by Commissioner Jackson and passed by a vote of 5-0.

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

- 1) Authorize the amendment to operating agreement HHI-23-32.2 between the Housing Commission and The Salvation Army to increase funding for the Fiscal Year (FY) 2025 program operating budget for the Haven Interim Shelter Program at 2799 Health Center Drive, San Diego,, CA 92123, increasing the operating budget by \$441,600 for a revised total FY 2025 operating budget of \$721,913 to accommodate the expansion of program

Regular Meeting Minutes of July 19, 2024

operations from 32 beds across nine units to 71 beds across 25 units. Funding sources in FY 2025 are expected to be City of San Diego (City) General Funds and federal Moving to Work (MTW) funds.

- 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, is 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.

**101 HCR24-063 Preliminary Bond Authorization and Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing for Studio 15**

Michelle Muniz, Director of Underwriting, Multifamily Housing Finance, Real Estate Division, presented the request for approval.

Public testimony by Joy Sunyata.

General Counsel Chuck Christensen noted for the record that Housing Development Partners, (HDP) a Housing Commission affiliate, is the general partner of this entity. Chair Mitchell, Vice Chair Clumpner and President & CEO Jones sit on the HDP Board of Directors. For purposes of conflict, under the provisions of Government Code Sections 87103 and 1090, there are no conflicts regarding anyone on the Housing Commission Board of Commissioners voting on this item. There are exemptions under the provisions of Government Code Section 1091, and under Government Code Section 87103, none of the directors nor the CEO receive compensation for their work on the HDP Board of Directors.

Motion by Commissioner Cushman to take the following staff recommended actions. Seconded by Commissioner Vásquez and passed by a vote of 5-0.

That the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) take the following actions, as described in this report:

- 1) Approve the following steps to issue up to \$40,000,000 in Housing Authority of the City of San Diego (Housing Authority) tax-exempt Multifamily Housing Revenue Bonds and \$3,000,000 in taxable bonds to facilitate Studio 15 II, L.P.'s acquisition and rehabilitation of Studio 15 at 1475 Imperial Ave. in the Downtown Community Planning Area, which will consist of 272 units

Regular Meeting Minutes of July 19, 2024

affordable for 55 years for individuals earning 40 percent to 60 percent of San Diego's Area Median Income (AMI) and two unrestricted managers' units:

- a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$40,000,000 in tax-exempt Multifamily Housing Revenue Bonds for the acquisition and rehabilitation of Studio 15 by Studio 15 II, L.P.
  - b. Authorize an application (and subsequent applications, if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds in an amount up to \$40,000,000 for Studio 15.
  - c. Approve the financing team of Jones Hall as the Bond Counsel and CSG Advisors, Inc. as the Financial Advisor.
- 2) Authorize the Housing Commission's President and Chief Executive Officer (President and CEO), or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by General Counsel and Bond Counsel and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of General Counsel and/or the Bond Counsel.
- 3) Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$40,000,000 to facilitate the acquisition and rehabilitation of Studio 15.

**102 HCR24-064 Preliminary Bond Authorization and Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing for Green Manor**

Michelle Muniz, Director of Underwriting, Multifamily Housing Finance, Real Estate Division, presented the request for approval.

Public testimony by Joy Sunyata.

Motion by Commissioner Hubbard to take the following staff recommended actions. Seconded by Commissioner Vásquez and passed by a vote of 5-0.

That the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) take the following actions, as described in this report.

- 1) Approve the following steps to issue up to \$45,000,000 in Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds and taxable bonds in an amount not to exceed \$5,000,000 to facilitate the acquisition and rehabilitation of Green Manor, an affordable housing development at 4041 Ibis Street, San Diego, CA 92103, that will consist of 149 newly renovated units that will remain affordable for 55 years for seniors ages 62 and older earning 30 percent to 60 percent of San Diego's Area Median Income, which includes two restricted managers' units:



## Regular Meeting Minutes of July 19, 2024

- a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$45,000,000 in tax-exempt Multifamily Housing Revenue Bonds to facilitate the acquisition and rehabilitation of Green Manor by Green Manor Housing Partners, LP.
  - b. Authorize an application (and subsequent applications, if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds in an amount up to \$45,000,000 for Green Manor.
  - c. Approve the financing team of Orrick, Herrington & Sutcliffe as the Bond Counsel and Ross Financial as the Financial Advisor.
- 2) Authorize the Housing Commission's President and Chief Executive Officer (President and CEO), or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by General Counsel and Bond Counsel and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of General Counsel and/or the Bond Counsel.
- 3) Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing regarding the Housing Authority's issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$45,000,000 to facilitate the acquisition and rehabilitation of Green Manor.

### **103 HCR24-065 Workshop & Discussion: Insurance Market and Rising Costs**

Suket Dayal, Executive Vice President of Business Administration and Chief Financial Officer, and Molly Weber, Senior Vice President of Policy & Land Use, presented an informational workshop regarding the insurance market, rising insurance costs in California, the San Diego Housing Commission's insurance coverage and policies, and pending insurance-related legislation. No action was taken on this item.

### **ADJOURNMENT:**

Vice Chair Clumpner adjourned the Regular Meeting at 10:28 a.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