



Good Neighbors

San Diego Housing Commission

MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE SPECIAL MEETING
JANUARY 13, 2006, 9:00 A.M.
1625 NEWTON AVENUE
SAN DIEGO, CALIFORNIA**

ATTENDANCE

Present were Commissioners Todd Gloria, Sal Salas, Alice Tumminia and Tony Yip. Also present were President and Chief Executive Officer Elizabeth Morris and Walter Spath, General Counsel. Commissioner Jennifer Adams-Brooks was absent.

10 CALL TO ORDER

Chair Salas called the meeting to order at 9:02 a.m.

20 PUBLIC COMMENT

None.

30 COMMISSIONER COMMENTS

None.

50 REPORT BY THE CHIEF EXECUTIVE OFFICER

None.

60 APPROVAL OF THE MINUTES

MOTION BY TUMMINIA TO APPROVE THE DECEMBER 2, 2005 SPECIAL MEETING MINUTES. SECONDED BY GLORIA AND CARRIED ON A UNANIMOUS VOTE OF 3-0 WITH ADAMS-BROOKS ABSENT.

CONSENT AGENDA

MOTION BY YIP TO APPROVE THE FOLLOWING ITEMS ON CONSENT:

100 HCR06-01 2006 Housing Commission Meeting Schedule

Recommendation: Approve the 2006 meeting schedule that includes 15 regularly scheduled meetings.

101 HCR06-02 Application for FY2007 Community Development Block Grant (CDBG) Funds (Citywide)

Recommendation: That the President and Chief Executive Officer be authorized to:

1. Apply to the City for 20 percent of the City's FY 2007 CDBG funds for affordable housing, in conformance with City Council Policy 700.02;
2. Execute a contract with the City for the amount allocated to the Housing Commission and any additional amount, allocated to other agencies, that the Housing Commission may be asked to administer on the City's behalf; and
3. Execute contracts with other agencies receiving CDBG allocations which the City Council may ask the Housing Commission to administer.

102 HCR06-03 Grant Acceptance and FY2006 Budget Revision – HUD Lead Hazard Control Grant (Citywide)

Recommendation: That the Housing Commission recommend Housing Authority approval to:

1. Accept a Lead Hazard Control Grant from the U. S. Department of Housing and Urban Development (HUD) in the amount of \$3 million, authorize the President & CEO (or designee) to execute all required documents with HUD, and revise the FY2006 Housing Commission Budget to reflect the additional funds; and
2. Accelerate expenditure of funds previously awarded by HUD through the Lead Hazard Reduction Demonstration Grant by further amending the Housing Commission's FY2006 Budget to transfer \$2,411,783 that was reserved for future years' lead hazard work from Reserves to Housing Programs Loans/Grants and Relocation expense lines, as indicated in the Attachment.

SECONDED BY TUMMINIA AND CARRIED ON A UNANIMOUS VOTE OF 4-0 WITH ADAMS-BROOKS ABSENT.

ACTION AGENDA

103 HCR05-110 Preliminary Items Pursuant to Issuing Multifamily Housing Revenue Bonds for Studio 15 Apartments (Council District 2)

Project Manager Peter Armstrong gave a staff report.

Commissioner Tumminia asked if the Housing Commission was responsible if the project does not meet its obligations. General Counsel replied the project requires each contract to have a minimum insurance policy of one million dollars. Ms. Morris added that there are multiple eyes watching the project such as financial advisors and underwriters. Mr. Armstrong replied the Housing Commission and the Housing Authority are not responsible for delinquent payments and there have been no financial consequences to the Housing Commission with these types of projects.

Commissioner Salas inquired about the project's tenant profile. Mr. Michael Galasso, representing Barone Galasso & Associates, replied the project will have lower rents attracting more people on fixed incomes along with a good mix of people earning minimum wage working downtown.

Commissioner Tumminia asked if it's required that the tenant work downtown while living at Studio 15. Mr. Galasso replied it's not required for the tenant to work downtown, though they often find work in the area when they move downtown.

MOTION BY YIP TO APPROVE THE FOLLOWING: **RECOMMENDATION 1:** THAT HOUSING COMMISSION RECOMMEND THE HOUSING AUTHORITY APPROVE; **A.** BOND INDUCEMENT RESOLUTION (A "DECLARATION OF OFFICIAL INTENT") FOR UP TO \$25 MILLION IN MULTIFAMILY HOUSING REVENUE BONDS FOR NEW CONSTRUCTION OF THE 275-UNIT STUDIO 15 APARTMENTS; **B.** HOUSING AUTHORITY APPROVE 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" FOR THE STUDIO 15 APARTMENTS (*APPLICATIONS TO CDLAC ARE DUE NO LATER THAN JANUARY 20, 2006*); AND, **C.** CITY COUNCIL HOLD A PUBLIC HEARING (*KNOWN AS A TEFRA HEARING - TAX EQUITY AND FISCAL RESPONSIBILITY ACT*) AND ADOPT A RESOLUTION APPROVING THE ISSUANCE OF TAX-EXEMPT BONDS IN AN AMOUNT UP TO \$25 MILLION BY THE HOUSING AUTHORITY. SECONDED BY GLORIA AND CARRIED ON A UNANIMOUS VOTE OF 4-0 WITH ADAMS BROOKS ABSENT.

MOTION BY YIP TO APPROVE **RECOMMENDATION 2:** THAT THE HOUSING COMMISSION APPROVE PETER ROSS OF ROSS FINANCIAL SERVICES AS FINANCIAL ADVISOR AND QUINT & THIMMIG LLP AS BOND COUNSEL TO BEGIN WORK ON THE PROJECT. SECONDED BY TUMMINIA AND CARRIED ON A UNANIMOUS VOTE OF 4-0 WITH ADAMS BROOKS ABSENT.

CLOSED SESSION

The Housing Commission convened in closed session with the following agenda:

- a. Conference with Legal Counsel-Existing Litigation pursuant to subdivision (c) of 54954.5 Government Code and subdivision (a) of Section 54956.9(a):

J& J Properties A, LLC v. San Diego Housing Commission, et al.
San Diego Superior Court Case No. GIC 858800

San Diego Housing Commission v. J&J Properties A, LLC
San Diego Superior Court Case No. GIC 858807

Counsel's Description of General Nature of Closed Session:

The Commission will discuss the pendency of litigation concerning the Hotel Churchill initiated by J&J Properties A, LLC as well as the action filed by the Commission on the same matter. General Counsel will seek instructions concerning the defense of the action initiated by J&J Properties A, LLC and the prosecution of the separate action filed by the Commission.

BY A VOTE OF 4-0 THE BOARD GAVE DIRECTION TO COUNSEL TO CONTINUE THE LAWSUITS.

ADJOURNMENT

Chair Salas adjourned the special meeting at 9:48 a.m.

Respectfully submitted,

Approved by,

Angie Risotti
Executive Assistant to the President and CEO

Elizabeth C. Morris
President and CEO