



Good Neighbors

San Diego Housing Commission

MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
MARCH 3, 2006, 9:00 A.M.
COUNCIL CHAMBERS
SAN DIEGO, CALIFORNIA**

ATTENDANCE

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

10 CALL TO ORDER

Chair Salas called the meeting to order at 9:12 a.m.

20 PUBLIC COMMENT

None.

30 COMMISSIONER COMMENTS

Commissioner Gloria thanked Carrol Vaughan and staff for preparing the Call Center informational report that he had previously requested.

40 REPORT BY THE CHIEF EXECUTIVE OFFICER

Ms. Morris expressed appreciation to Congresswoman Davis for her on-going support for Hope Village Jewish Family Services Housing Programs.

CONSENT AGENDA

MOTION BY YIP TO APPROVE THE FOLLOWING ITEMS ON CONSENT:

101 HCR06-18 Appointment of Loan Committee Members (Citywide)

Recommendation: Appointment of Rosemary Johnston and Jahi Akobundu, and the reappointment of Linnie Arcangel Gavino, to the Loan Committee for two-year terms.

102 HCR06-19 FY07 Annual Agency Plan (Citywide)

Recommendation:

- Approve the FY07 Annual Agency Plan (Attachment 2) that details activities planned for the Section 8 and Public Housing programs in FY07;
- Approve the Summary of Revisions to the Section 8 Administrative Plan (Attachment 3), that details proposed changes to the Section 8 program;
- Approve the Summary of Revisions to the Public Housing Admissions and Continued Occupancy Plan (Attachment 4) that details proposed changes to the Public Housing program;
- Approve the Summary of Revisions to the Project Based Voucher program (Attachment 5) that details the proposed changes to that program;
- Authorize transmittal of the FY07 Annual Agency Plan to HUD before the April 17, 2006 deadline.

SECONDED BY ADAMS-BROOKS AND CARRIED ON A UNANIMOUS VOTE OF 5-0.

ACTION AGENDA

100 HCR06-17 2005 Annual Audit Report

Director of Fiscal Services Ed Mauk gave a staff report.

Commissioner Yip, Chair of the Housing Commission's Audit Committee, stated that this was the first audit done by the Reznick Group, and he was pleased to announce there were no findings and no year-end audit adjustments were required. He complimented the auditors and Housing Commission staff for a job well done.

Chair Salas asked about aggregate expenses. Mr. Mauk replied the Housing Commission was fully in compliance with the procurement policy, and that staff will be cognizant of these types of purchases and will employ formal bidding and contracting procedures as necessary.

MOTION BY TUMMUNIA TO ACCEPT AND APPROVE THE FISCAL YEAR 2005 AUDIT REPORTS PREPARED BY THE REZNICK GROUP, AN INDEPENDENT AUDIT FIRM.
SECONDED BY ADAMS-BROOKS AND CARRIED ON A UNANIMOUS VOTE OF 5-0.

Chair Salas requested that Item 104 be heard before Item 103.

104 HCR06-21 Proposed Revisions to the First Time Homebuyer Programs

Loan Management Supervisor Vicki Monce gave a staff report.

Commissioner Tumminia asked about the benefits of the First Time Homebuyer Program. Ms. Fisher replied that it moves people who qualify and want to participate out of rental property there

by freeing units for other households Ms. Morris added that from the homebuyer's perspective their housing costs are fixed and they will share in the wealth building aspects as well. In response to a question from Commissioner Gloria, Ms. Monce replied that after meeting with various lenders, the biggest issue for people not qualifying for loans is that they have too much debt and approving these recommendations would allow more buyers to qualify in the program.

MOTION BY GLORIA TO APPROVE THE FOLLOWING RECOMMENDATIONS: **1.** CREATE A TWO-TIERED, THREE PERCENT (3%) INTEREST DEFERRED SECOND LOAN PROGRAM TO ASSIST BUYERS PURCHASING AFFORDABILITY RESTRICTED UNITS (E.G., INCLUSIONARY OR DENSITY BONUS). FIRST TIER FOR HOUSEHOLDS AT 80 PERCENT OR BELOW AREA MEDIAN INCOME (AMI): MAXIMUM LOAN AMOUNT 25 PERCENT OF THE AFFORDABLE PURCHASE PRICE. SECOND TIER FOR HOUSEHOLDS EARNING 81-100 PERCENT AMI: MAXIMUM LOAN AMOUNT 15 PERCENT OF THE AFFORDABLE PURCHASE PRICE; **2.** INCREASE AMOUNT OF DEFERRED SECOND LOANS FOR CONDOMINIUM CONVERSION 100% AMI PROGRAM FROM \$15,000 TO 15 PERCENT OF THE PURCHASE PRICE AND EXTEND THE SHARED APPRECIATION PROVISION FROM 15 TO 30 YEARS; AND **3.** DELEGATE AUTHORITY TO HOUSING COMMISSION BOARD TO MAKE FUTURE REVISIONS TO THE FTHB PROGRAMS. SECONDED BY YIP AND CARRIED ON A UNANIMOUS VOTE OF 5-0.

103 HCR06-20 Preliminary Actions to Issue Multifamily Housing Revenue Bonds for Alabama Manor Apartments (Council District 3)

Project Manager Peter Armstrong gave a staff report.

MOTION BY GLORIA TO APPROVE THE FOLLOWING: **A.** HOUSING AUTHORITY TO APPROVE A BOND INDUCEMENT RESOLUTION (A "DECLARATION OF OFFICIAL INTENT") FOR UP TO \$6.8 MILLION IN MULTIFAMILY HOUSING REVENUE BONDS FOR ACQUISITION AND REHABILITATION BY COMMUNITY HOUSING WORKS OF THE ALABAMA MANOR APARTMENTS, LOCATED AT 3822-3836 ALABAMA STREET; **B.** HOUSING AUTHORITY TO 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 ALABAMA MANOR APARTMENTS; **C.** CITY COUNCIL TO 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 \$6.8 MILLION BY THE HOUSING AUTHORITY; AND **D.** HOUSING COMMISSION APPROVE A FINANCING TEAM OF CSG ADVISORS AS FINANCIAL ADVISOR AND STRADLING YOCCA CARLSON & RAUTH AS BOND COUNSEL TO WORK ON PREPARING THE PROPOSED BOND ISSUANCE. CSG AND STRADLING YOCCA CARLSON & RAUTH HAVE BEEN SELECTED IN ACCORDANCE WITH THE EXISTING POLICY FOR THE ISSUANCE OF BONDS. SECONDED BY YIP AND CARRIED ON A UNANIMOUS VOTE OF 5-0.

105 HCR06-22 Loan to Community Housing Works for Alabama Manor Apartments (Council District 3)

Project Manager Carlos C. de Baca gave a staff report.

Commissioner Yip asked about the loan to value ratio. Ms. Fisher replied the purpose behind the appraisal is to evaluate that sale price, and it is the Housing Commission's responsibility to protect public funds and not to inappropriately benefit sellers.

Chair Salas asked when the sales transpired and how many CUP projects there are in the City. Mr. C. de Baca replied the sales dates were February 2005, July 2005, June 2005, February 2004 and January 2004, and the City of San Diego has 3,505 projects.

Commissioner Yip asked if there was a relationship between the seller and buyer. Mr. Terry Coyne, representing Community Housing Works, stated there is no connection between the seller and buyer.

MOTION BY YIP THAT THE HOUSING COMMISSION RECOMMEND HOUSING AUTHORITY APPROVAL FOR: 1. A RESIDUAL RECEIPTS LOAN OF UP TO \$3,600,000 TO COMMUNITY HOUSING WORKS TO FUND ACQUISITION AND REHABILITATION OF ALABAMA MANOR APARTMENTS, LOCATED AT 3622-3836 ALABAMA STREET; AND 2. AUTHORIZE THE PRESIDENT AND CHIEF EXECUTIVE OFFICER, OR DESIGNEE, TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO MAKE THE APPROVED LOAN. SECONDED BY ADAMS-BROOKS AND CARRIED ON A UNANIMOUS VOTE OF 5-0.

CLOSED SESSION

The San Diego Housing Commission convened in closed session to discuss 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:

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

NO ACTION TAKEN, INFORMATIONAL ONLY

- b. Conference with Legal Counsel-Liability Claim pursuant to subdivision (d) of 54954.5 Government Code and subdivision (a)(1)(A) of Section 54956.96:

Claim and Petition to File a Late Claim by Keith Bresee.

BY A VOTE OF 4-0 WITH TUMMINIA ABSENT THE BOARD DENIED THE CLAIM AND PETITION.

- c. Conference with Legal Counsel- Anticipated Litigation Claim pursuant to subdivision (c) of 54954.5 Government Code and subdivisions (b)(1) of Section 54956.9:

One matter -Demand from Hector and Elevia Martinez

BY A VOTE OF 5-0 BOARD GAVE PERMISSION TO COUNSEL TO PROCEED WITH MEDIATION.

ADJOURNMENT

Chair Salas adjourned the regular meeting at 11:03 a.m.

Respectfully submitted,

Angie Risotti
Executive Assistant to the President and CEO

***Signature on File
With Original Document***

Approved by,

Elizabeth C. Morris
President and CEO