



Good Neighbors

# San Diego Housing Commission

## MINUTES

**SAN DIEGO HOUSING COMMISSION  
MINUTES OF THE REGULAR MEETING  
MAY 26, 2006, 9:00 A.M.  
COUNCIL COMMITTEE ROOM  
SAN DIEGO, CALIFORNIA**

### **ATTENDANCE**

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

### **10     CALL TO ORDER**

Chair Salas called the meeting to order at 9:10 a.m.

### **20     PUBLIC COMMENT**

None

### **30     COMMISSIONER COMMENTS**

None

### **40     REPORT BY THE PRESIDENT AND CHIEF EXECUTIVE OFFICER**

None

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

MOTION BY YIP TO APPROVE THE MARCH 24, 2006 REGULAR MEETING MINUTES. SECONDED BY TUMMINIA AND CARRIED ON A UNANIMOUS VOTE OF 4-0 WITH ADAMS-BROOKS ABSENT.

MOTION BY YIP TO APPROVE THE APRIL 14, 2006 REGULAR MEETING MINUTES. SECONDED BY TUMMINIA AND CARRIED ON A UNANIMOUS VOTE OF 4-0 WITH ADAMS-BROOKS ABSENT.

### **CONSENT AGENDA**

MOTION BY GLORIA TO APPROVE THE FOLLOWING ITEM ON CONSENT:

**104    HCR06-38    Contract for Temporary Employment Agency Services**

**Recommendation:** Authorize the President/CEO to negotiate and enter into a contract with AppleOne Employment Services for temporary employment services with the following terms:

1. The contract term will begin July 1, 2006 for the duration of two (2) years with three (3) additional one-year options.
2. The proposed expenditure for temporary employment agency services will not exceed \$500,000 in any twelve (12) month period.

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

**ACTION AGENDA**

*Chair Salas asked that Item 105 be heard before Item 100.*

**105    HCR06-39    Rental Rehabilitation Loan – 3529-37 46<sup>th</sup> Street (Council District 3)**

Loan Management Supervisor Vickie Monce gave a staff report.

Mr. Melvyn Stewart stated that he was against the proposed recommendation, explaining that he requested more funds to renovate the property. Chair Salas recommended that the Board approve the loan and encourage Mr. Stewart to refinance the property enabling him the needed cash flow to make the necessary repairs.

Commissioner Tumminia asked if the units are repaired each time a tenant moves out. Mr. Stewart replied that when a tenant leaves a unit in a damaged condition the unit remains vacant until the repairs are made to the unit.

Commissioner Gloria asked if the items to be repaired are health and safety issues. Mr. Flavin Geis, Construction Specialist replied that stairs and wood decks are being repaired, units are tented for fumigation, and they will be installing an irrigation system and landscaping. Adding, the interior repairs consist of new flooring, kitchen cabinets, bathtubs and vanities, new window blinds, and full interior painting.

Chair Salas complimented Mr. Stewart for providing below market rental units.

MOTION BY TUMMINIA TO APPROVE THE FOLLOWING ACTIONS:

1. FUND A \$53,016 LOAN AT ZERO PERCENT (0%) INTEREST WITH PAYMENTS DEFERRED FOR 10 YEARS PURSUANT TO THE FOR PROFIT RENTAL REHABILITATION PROGRAM GUIDELINES, WITH OTHER CONDITIONS AS OUTLINED IN THIS REPORT, TO SUBSIDIZE THE COST OF REPAIRS TO THE FOUR UNIT RENTAL PROPERTY LOCATED AT 3529-37 46<sup>TH</sup> STREET.
2. AUTHORIZE THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR DESIGNEE TO EXECUTE ALL NECESSARY DOCUMENTS REGARDING THIS TRANSACTION.

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

**100    HCR06-29    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 about earthquake faults. Ms. Fisher replied that CCDC (Centre City Development Corporation) has a very specific map of the faults downtown and is taken into consideration in the structural design.

MOTION BY GLORIA TO APPROVE A SUBSTITUTION OF AFFIRMED HOUSING GROUP FOR BARONE GALASSO AND ASSOCIATES AS PART OF THE DEVELOPMENT TEAM FOR THE 275-UNIT STUDIO 15 APARTMENTS LOCATED AT 15<sup>TH</sup> STREET AND IMPERIAL AVENUE IN DOWNTOWN SAN DIEGO. SECONDED BY TUMMINIA AND CARRIED ON A UNANIMOUS VOTE OF 4-0 WITH ADAMS-BROOKS ABSENT.

MOTION BY GLORIA TO RE-AFFIRM THE HOUSING COMMISSION BOARD'S PRIOR ACTIONS, TAKEN ON JANUARY 13, 2006, WHICH INCLUDED SELECTING A FINANCING TEAM TO WORK ON THE PROPOSED BOND TRANSACTION AND RECOMMENDING THAT THE HOUSING AUTHORITY AND CITY COUNCIL TAKE THE INITIAL STEPS TO ISSUE HOUSING MORTGAGE REVENUE BONDS TO FUND THE DEVELOPMENT OF THE STUDIO 15 PROJECT. SECONDED BY YIP AND CARRIED ON A UNANIMOUS VOTE OF 4-0 WITH ADAMS-BROOKS ABSENT.

*Chair Salas asked that Item 103 be heard before Item 101.*

**103    HCR06-35    Preliminary Items Pursuant to Issuing Bonds for Pine Hollow Apartments (Council District 4)**

Chair Salas asked about tenant's profile. Ms. Fisher stated that this is a mixed-use profile and there will be special purpose units and affordable units. Mr. Armstrong added that the bond financing will require minimum affordability restrictions.

Commissioner Yip asked if the awards to firms are rotated. Mr. Armstrong replied yes the firms are rotated. Ms. Morris added that the firms receive the award of contract in order, but that projects come forward when each is ready, not necessarily in order of application.

MOTION BY YIP TO RECOMMEND THAT THE HOUSING AUTHORITY APPROVE A BOND INDUCEMENT RESOLUTION (A "DECLARATION OF OFFICIAL INTENT") FOR UP TO \$7 MILLION IN MULTIFAMILY HOUSING REVENUE BONDS FOR ACQUISITION AND REHABILITATION OF THE PINE HOLLOW APARTMENTS, LOCATED AT 5020 FEDERAL BOULEVARD, BY THE ASSOCIATION FOR COMMUNITY HOUSING SOLUTIONS (TACHS). SECONDED BY GLORIA AND CARRIED ON A UNANIMOUS VOTE OF 4-0 WITH ADAMS-BROOKS ABSENT.

MOTION BY TUMMINIA FOR THE APPROVAL OF A BOND INDUCEMENT RESOLUTION THAT WOULD ALLOW THE HOUSING COMMISSION TO WORK WITH TACHS TO STRUCTURE THE MOST COST-EFFECTIVE FINANCING FOR THE AFFORDABLE HOUSING PROJECT AND WOULD NOT COMMIT THE HOUSING AUTHORITY TO ISSUE BONDS. SECONDED BY GLORIA AND CARRIED ON A UNANIMOUS VOTE OF 4-0 WITH ADAMS-BROOKS ABSENT.

*Chair Salas asked that Item 106 be heard before Item 101.*

**106   HCR06-40   Loan for the Acquisition and Construction of Arbor Crest Apartments (Council District 3)**

Project Manager Peter Armstrong gave a staff report.

Commissioner Yip asked about the higher per-unit costs and why two units for one residential manager. Mr. Armstrong replied the higher costs are due to land and hard construction costs. Mr. Gary Squier, representing Squier Properties stated the two units are for an on site residential manager and assistant manager and often the assistant manager is the maintenance person.

Chair Salas asked what guarantee is there that the non-profit will agree to the Housing Commission taking ownership and control at the end of the fifteen years. Mr. Squire replied there have been discussions with a few non-profits, they are committed to maintain a service relationship to the community and ownership is less important to them. Mr. Charles Christensen, General Counsel, added that the documents could provide that the Housing Commission ends up owning the project at the end of fifteen years and would accommodate the interests of the non-profit to ameliorate the disconnect at the end of the fifteen years.

Commissioner Yip asked if taking over ownership was an option or is that an agreed part of the agreement. Mr. Christensen replied that it's a residual receipts loan and it is an option at the end of the fifteen year period.

Commissioner Gloria asked if the North Park Planning Committee supports the current project. Ms. Janay Kruger, consultant to the developer, replied conceptually some of the community leaders support the project and will be brought to the committee for approval on June 5, 2006.

MOTION BY YIP TO RECOMMEND THAT THE HOUSING AUTHORITY:

- a) APPROVE A RESIDUAL RECEIPTS LOAN OF UP TO \$6.7 MILLION TO SADI LLC TO FUND THE ACQUISITION AND CONSTRUCTION OF THE ARBOR CREST APARTMENTS, LOCATED AT 3701-3741 FLORIDA AVENUE, CONTINGENT UPON THE AWARD OF NINE PERCENT TAX CREDITS TO THE PROJECT; AND,
- b) AUTHORIZE THE HOUSING COMMISSION TO TAKE POSSESSION OF THE PROPERTY 15 YEARS AFTER THE PROJECT IS INITIALLY OCCUPIED, IN LIEU OF REPAYMENT OF THE HOUSING COMMISSION LOAN, AND ASSUME, AT ITS SOLE DISCRETION, ANY PROJECT-RELATED TAX LIABILITY OF THE LIMITED PARTNER OF THE TAX CREDIT LIMITED PARTNERSHIP; AND,

C) AUTHORIZE THE PRESIDENT AND CHIEF EXECUTE OFFICER TO EXECUTE ALL NECESSARY LEGAL DOCUMENTS TO EFFECTUATE THE TRANSACTION. SECONDED BY TUMMINIA AND CARRIED ON A UNANIMOUS VOTE OF 4-0 WITH ADAMS-BROOKS ABSENT.

**101    HCR06-32    Affordable Housing Fund FY2007 Annual Plan (Citywide)**

Senior Program Analyst Ann Kern gave a staff report.

Commissioner Yip asked about the reduction in carry-over funding and how it changes the funding allocations. Ms. Fisher replied the pipeline projects are rental housing projects and there may be some shuffling of funds.

Chair Salas asked about the homeless shelter funds. Ms. Morris replied that there has been some discussion whether it is desirable to have a year-round shelter, however, the question has not been fully addressed nor has there been any discussion on how it would be funded.

MOTION BY TUMMINIA TO RECOMMEND THAT THE HOUSING COMMISSION HEAR PUBLIC TESTIMONY ON THE AFFORDABLE HOUSING FUND FY2007 ANNUAL PLAN (ATTACHMENT 1), AND APPROVE SUBMISSION TO CITY COUNCIL. SECONDED BY GLORIA AND CARRIED ON A UNANIMOUS VOTE OF 4-0 WITH ADAMS-BROOKS ABSENT.

**CLOSED SESSION**

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

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

One matter – *Anticipated lawsuit by Hector and Elevia Martinez against the SDHC*

NO ACTION TAKEN, INFORMATIONAL ONLY.

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

One matter – *Anticipated litigation against Mr. and Mrs. Moren*

NO ACTION TAKEN, INFORMATIONAL ONLY.

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

One matter – *Anticipated Litigation*

BY A VOTE OF 4-0 WITH ADAMS-BROOKS ABSENT THE BOARD GAVE DIRECTION TO POTENTIAL RESOLUTION OF LITIGATION.

**ADJOURNMENT**

Chair Salas adjourned the regular meeting at 10:48 a.m.

Respectfully submitted,

Angie Risotti  
Executive Assistant to the President and CEO

Approved by,

Elizabeth C. Morris  
President and CEO

**Signature on File  
With Original Document**