



Good Neighbors

San Diego Housing Commission

MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
NOVEMBER 17, 2006, 9:00 A.M.
COUNCIL CHAMBERS
SAN DIEGO, CALIFORNIA**

ATTENDANCE

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

10 CALL TO ORDER

Chair Salas called the meeting to order at 9:11 a.m.

20 PUBLIC COMMENT

Matt Jumper representing Interfaith Housing presented to the board a \$438,000 cashiers check for the repayment of a rehabilitation loan for the Redwood Villas Senior Apartments located in Oak Park. Mr. Jumper thanked the Housing Commission for providing a \$400,000 loan in 1986 and was very grateful for having the opportunity to work with the Housing Commission.

30 COMMISSIONER COMMENTS

Commissioner Gloria commented on the recent grand opening of Talmadge Senior Village, stating it was a thrill to be at the opening as a Commissioner and special kudos to the Housing Commission staff for their participation in the project.

Chair Salas commented on his recent trip to the Regional NAHRO Conference. The primary focus of the conference was on public agency ability to produce housing and cut operating fund costs.

Commissioner Adams-Brooks thanked staff for a job well done on the Semi-Annual Equal Opportunity and Small Contracts Status Informational Report.

40 REPORT BY THE CHIEF EXECUTIVE OFFICER

Ms. Morris stated that Smart Corner was proceeding on time and on budget. We took title to the building November 1, 2006 and plan to move into Smart Corner on January 2, 2007 and will be

for business on January 3, 2007. Special thanks to General Counsel and Steve Snyder for keeping the project on track.

CONSENT AGENDA

MOTION BY TUMMINIA TO APPROVE THE FOLLOWING ITEMS ON CONSENT:

100 HCR06-81 Award of Contract for Plumbing Services (Citywide)

Recommendations:

- 1) Approve the award of a one (1)-year contract to Denny & Son Plumbing, Inc., in an amount not to exceed Five Hundred Thousand and No/100 Dollars (\$500,000) with the option to renew for two (2) additional one (1)-year periods.
- 2) Authorize the President & Chief Executive Officer to execute the contract (Attachment 1) following final approval of the contract award by the Housing Authority.

101 HCR06-91 Award of Contract for Site Cleaning Services (Citywide)

Recommendations:

- 1) Approve the award of a one (1)-year contract to Baja Pacific for One Hundred Twenty Four Thousand Five Hundred Forty and No/100 Dollars (\$124,540) with the option to renew for two (2) additional one (1)-year periods.
- 2) Authorize the President & Chief Executive Officer to execute the contract (Attachment 1).

103 HCR06-87 Application for Mortgage Credit Certificate Allocation (Citywide)

Recommendation: Approval by the Housing Commission and the Housing Authority to submit to the California Debt Limit Allocation Committee (CDLAC) for up to \$25 million in MCC allocation during the period of January 1, 2007 through December 31, 2007.

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

ACTION AGENDA

General Council asked that Item #102 be trailed to the end of the meeting.

Chair Salas asked that Items 106 and 108 be pulled from the agenda.

104 HCR06-83 Loan Increase for Townspeople (Council District 7)

Project Manager Dan Cady gave a staff report.

Commissioner Yip asked if mold testing was done. Mr. Cady replied yes and there was no mold.

Commissioner Adams-Brooks asked if staff was proposing to come back to the board with report findings. Mr. Cady stated he would bring back information to the board.

MOTION BY YIP TO APPROVE AN INCREASE IN THE LOAN TO TOWNSPEOPLE FROM \$1,310,000 TO \$1,570,000 TO FINANCE ACQUISITION AND REHABILITATION OF 23 UNITS (ONE UNRESTRICTED UNIT IS OCCUPIED BY A RESIDENT MANAGER) AS PERMANENT RENTAL HOUSING FOR PERSONS WITH HIV OR AIDS AND AUTHORIZE THE PRESIDENT AND CHIEF EXECUTIVE OFFICER TO EXECUTE ALL NECESSARY DOCUMENTS. HOWEVER, THE BOARD DIRECTED THAT ALL MONIES NOT BE EXPENDED UNTIL THE GEOTECHNICAL STUDY HAS BEEN EVALUATED. SECONDED BY ADAMS-BROOKS AND CARRIED ON A UNANIMOUS VOTE OF 5-0.

105 HCR06-88 Loan for Veterans Village of San Diego (Council District 2)

Project Manager Dan Cady gave a staff report.

Commissioner Gloria stated that VVSD is an outstanding organization and needs our housing support. Ms. Morris added that the HUD-EDI grant is the result of the work that Congresswoman Susan Davis has done to reserve funds specifically for projects like this in San Diego.

MOTION BY GLORIA TO APPROVE THE FOLLOWING RECOMMENDATIONS: 1) FORWARD TO THE HOUSING AUTHORITY A RECOMMENDATION TO MAKE A 65-YEAR \$3,488,951 DEFERRED LOAN, AND UTILIZE A \$745,575 REVOCABLE GRANT OF FEDERAL ECONOMIC DEVELOPMENT INITIATIVE (HUD-EDI) FUNDS PREVIOUSLY APPROVED FOR 144 BEDS OF PERMANENT SUPPORTIVE HOUSING AT THE SITE, TO VETERANS VILLAGE OF SAN DIEGO (VVSD) AS PERMANENT FINANCING FOR DEVELOPMENT OF 112 BEDS OF TRANSITIONAL RENTAL HOUSING IN PHASE II OF VETERANS VILLAGE; 2) APPROVE AN AMENDMENT TO THE FY2007 HOUSING COMMISSION BUDGET TO REFLECT THE ADDITION OF \$325,000 OF STATE LOW INCOME HOUSING TRUST FUND MONEY; AND 3) AUTHORIZE THE PRESIDENT AND CHIEF EXECUTIVE OFFICER TO EXECUTE ALL NECESSARY DOCUMENTS. SECONDED BY ADAMS-BROOKS AND CARRIED ON A UNANIMOUS VOTE OF 5-0.

107 HCR06-90 Preliminary Items Pursuant to Issuing Multifamily Housing Revenue for Merrill Gardens at Banker's Hill (Council District 2)

Supervising Project Manager Peter Armstrong gave a staff report.

Commissioner Yip asked where the additional cash would come from to fund the \$1.6 million dollar short fall. Ryan Leong representing SRM Construction and Merrill Gardens said it would be funded through other investors or raising more equity.

MOTION BY ADAMS-BROOKS TO APPROVE RECOMMENDATION 1: A) HOUSING AUTHORITY APPROVE A BOND INDUCEMENT RESOLUTION (A "DECLARATION OF OFFICIAL INTENT") FOR UP TO \$35 MILLION IN MULTIFAMILY HOUSING REVENUE BONDS FOR DEVELOPMENT OF THE MERRILL GARDENS AT BANKERS HILL BY MERRILL GARDENS AT BANKER'S HILL, LLC ("MERRILL GARDENS"); 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” IN AN AMOUNT UP TO \$35 MILLION FOR MERRILL GARDENS AT BANKER’S HILL; 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 \$35 MILLION BY THE HOUSING AUTHORITY FOR MERRILL GARDENS AT BANKER’S HILL LOCATED AT 222 LAUREL STREET IN THE CITY OF SAN DIEGO. RECOMMENDATION 2: APPROVE A FINANCING TEAM OF STRADLING YOCCA CARLSON & RAUTH AS BOND COUNSEL AND CSG ADVISORS AS FINANCIAL ADVISOR TO BEGIN WORK ON THE PROJECT. SECONDED BY GLORIA AND CARRIED ON A UNANIMOUS VOTE OF 5-0.

109 **HCR06-85** **Re-position of the San Diego Housing Commission’s Public Housing Portfolio**

Senior Program Analyst Jack Farris gave a staff report.

Yvonne Limtiaco, a public housing resident, participant in the Family Self Sufficiency Program and on the Residential Advisory Board (RAB) stated the Board met in September to learn about the proposal and was happy to report the RAB supports the proposal.

Chair Salas asked what are the resident’s concerns regarding the proposal. Ms. Limtiaco replied a concern was if a participant could move from one place to another without losing their voucher and was pleased to find out that once you have a voucher you have a choice.

Doris Payne representing the San Diego Housing Federation recently became aware of the proposal and stated it seems to have considerable merit and encourages the Housing Commission to go forth with its exploration. She realizes that the new accounting rules provide very significant challenges for the Housing Commission and wants to preserve the current number of units for those who are in the greatest need.

Chair Salas asked about voucher conversion. Ms. Vaughan replied there are a couple of ways to go about opting out of the public housing program and one would be a voluntary conversion. Another is asking for vouchers set aside by the Secretary of HUD for housing authorities and housing agencies under certain circumstances and would probably take a few years to receive enough vouchers to replace our public housing units.

Commissioner Adams-Brooks asked if the conversion would impact supportive services. Ms. Vaughan replied that funds were put in the proforma to ensure continuation of the supportive services.

Commissioner Gloria asked who are the additional external stakeholders that staff is planning on talking to regarding the proposal. Todd Philips, Director of Policy & Public Affairs, stated that there’s been informal discussion with representatives from BIA. The discussion has been very supportive and they like the direction of us going toward the private business model. Ms. Morris

added that we were having informal discussions with a private property management group and others.

Commissioner Gloria thanked staff for coming up with an innovative way to better serve clients in the years ahead and he appreciates a proactive stance.

MOTION BY ADAMS-BROOKS TO AUTHORIZE THE HOUSING COMMISSION'S PRESIDENT/CHIEF EXECUTIVE OFFICER TO: 1) APPLY TO HUD TO OPT OUT OF THE CONVENTIONAL PUBLIC HOUSING PROGRAM (1,366 UNITS) IN ORDER TO RE-POSITION THE HOUSING PORTFOLIO AWAY FROM DEPENDENCY ON FEDERAL SUBSIDY TO BECOME SELF-SUFFICIENT AND SELF-SUSTAINING IN PERPETUITY; 2) APPLY FOR SECTION 8 TENANT BASED HOUSING CHOICE VOUCHERS ("VOUCHERS") FOR ALL PUBLIC HOUSING UNITS APPROVED BY HUD FOR OPT OUT TO ENSURE CONTINUING ASSISTANCE FOR CURRENTLY ASSISTED RESIDENTS; AND 3) TAKE ALL ACTIONS AND EXECUTE ALL DOCUMENTS TO IMPLEMENT THIS PROPOSAL. SECONDED BY YIP AND CARRIED ON A UNANIMOUS VOTE OF 5-0.

110 HCR06-86 Amended FY07 Agency Plan (Citywide)

Vice President & COO Carrol Vaughan gave a staff report.

Commissioner Yip asked that the word conversion be changed to transition in the report. Ms. Vaughan concurred.

MOTION BY GLORIA TO APPROVE THE FOLLOWING RECOMMENDATIONS: 1) APPROVAL OF THE AMENDED FY07 AGENCY PLAN (ATTACHMENT 1), THAT IDENTIFIES THE HOUSING COMMISSION PROPOSAL TO TRANSITION ITS PUBLIC HOUSING STOCK FROM THE CONVENTIONAL PUBLIC HOUSING PROGRAM TO A RENTAL ASSISTANCE VOUCHER SYSTEM; AND 2) AUTHORIZE TRANSMITTAL OF THE AMENDED FY07 AGENCY PLAN TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD), FOR A 75-DAY REVIEW AND APPROVAL PROCESS. SECONDED BY TUMMINIA AND CARRIED ON A UNANIMOUS VOTE OF 5-0.

102 HCR06-82 Actions Establishing President & Chief Executive Officer Compensation

General Counsel presented a report prepared by the Board's Performance Evaluation Ad Hoc Committee. He stated that Ms. Morris evaluation was outstanding, again.

MOTION BY ADAMS-BROOKS TO AMEND THE COMPENSATION PACKAGE FOR THE CEO AS RECOMMENDED BY THE PERFORMANCE EVALUATION AD HOC COMMITTEE AS FOLLOWS: AMEND THE STARTING DATE TO AUGUST 1, 2006 AT \$159,000 PLUS ADDITIONAL INCENTIVES AS REFERENCED IN THE REPORT AND BONUS FOR FY05 OF \$5,000 AND BONUS FOR FY06 FOR \$5,000. FURTHER, IN LIEU OF MAKING THE FY06 SALARY ADJUSTMENT RETROACTIVE, THE BONUS BE INCREASED BY \$5,000 TO A TOTAL OF \$10,000 FOR THE YEAR. SECONDED BY GLORIA AND CARRIED A UNANIMOUS VOTE OF 5-0.

ADJOURNMENT


Commissioner Salas adjourned the regular meeting at 10:47 a.m.

Respectfully submitted,



Angie Risotti
Executive Assistant to the President and CEO

Approved by,



Elizabeth Morris
President and CEO