



Good Neighbors

San Diego Housing Commission

MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
DECEMBER 15, 2006, 9:00 A.M.
COUNCIL CHAMBERS
SAN DIEGO, CALIFORNIA**

ATTENDANCE

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

10 CALL TO ORDER

Chair Salas called the meeting to order at 9:20 a.m.

20 PUBLIC COMMENT

Ms. Khadija Basir was sworn in as Board Commissioner and Commissioners Adams-Brooks and Yip were sworn in for another term.

30 COMMISSIONER COMMENTS

None

40 REPORT BY THE CHIEF EXECUTIVE OFFICER

Ms. Morris announced Director of Financial Services Ed Mauk has taken a position as CFO in Pittsburg. She thanked Mr. Mauk for his years of service.

Ms. Morris stated that there's a lot of excitement at the Newton Avenue office as we are getting ready for the big move to Smart Corner office building next week. She credited Steve Snyder, Director of Asset Management, and General Counsel for bringing the project in on time and on budget. Finally, she expressed her appreciation to the board for supporting our need for a more professional/functional office facility to serve our clients.

50 APPROVAL OF THE MINUTES

MOTION BY GLORIA TO APPROVE THE OCTOBER 6, 2006 REGULAR MEETING MINUTES WITH A CORRECTION ON ITEM 100, VOTE SHOULD BE 4-1. SECONDED BY ADAMS-BROOKS AND CARRIED ON A UNANIMOUS VOTE OF 3-0 WITH TUMMINIA AND YIP ABSENT.

CONSENT AGENDA

MOTION BY ADAMS-BROOKS TO APPROVE THE FOLLOWING ITEMS ON CONSENT:

100 HCR06-99 2007 Housing Commission Meeting Schedule

Recommendation: That the Housing Commission Board approves the 2007 meeting schedule that includes sixteen regularly scheduled meetings to be held at the City Administration Building (CAB) or the Housing Commission's office building.

101 HCR06-105 Contract for Consulting Services for Strategic Legal and Programmatic Services

Recommendations: That the Housing Commission authorizes the CEO to negotiate and enter into a contract with Hawkins for consulting services. Contract terms are as follows:

- 1) The contract will provide for strategic, legal and related consulting services to support the agency's strategic planning, capital resource development, Section 8 and other programs, and other portfolio planning. These services will include, but not be limited to, advice and counsel on the current and proposed statutory requirements and environment including potential opportunities for the San Diego Housing Commission (SDHC) to create additional affordable housing units and are detailed in the Housing Commission's Three Year Business Plan for fiscal years 2006 through 2008.
- 2) Services are based on a contract period of twelve (12) months beginning February 1, 2007 with four (4) yearly options to renew, as determined by the Housing Commission.
- 3) The proposed expenditure for each twelve (12) month period shall not exceed \$100,000.

102 HCR06-101 Proposed Revisions to Policy 101.000 Conflict of Interest Code & Related Provisions and Policy 209.000 Mandatory Disclosure of Business Interests

Recommendation: That the Housing Commission Board approves Policy 101.000 "Conflict of Interest Code" and Policy 209.000 "Mandatory Disclosure of Business Interests" as revised by the Housing Commission's General Counsel.

103 HCR06-102 Delegation of Authority for Internal Administrative Affairs to Housing Commission Board

Recommendations:

- 1) That the Housing Authority delegate to the Housing Commission Board responsibility for certain internal administrative policies (listed in the report), subject to the opportunity afforded to the Housing Authority in the San Diego Municipal Code Section 98.0301(e) to review any delegated decisions at the Housing Authority's discretion;
- 2) That the Housing Commission delegate to the President & Chief Executive Officer (CEO) responsibility for specific program operation policies;
- 3) That unnecessary, redundant policies be eliminated.

104 HCR06-98 Mobile Home Community Issues Committee Membership

Recommendations:

Appoint six new members and alternates to the Mobile Home Community Issues Committee (MHCIC) and reappoint current Committee members and alternates. Approve new language for Mobile Home Mediation / Communication Policy to:

- 1) increase membership to four members and three alternates each for mobile home owners and the mobile park owners; and
- 2) Reflect administrative practice. See Attachment 1 for proposed Policy changes. Attachment 2 includes new member applications from: Steve Epsten, Park Owner; Russell McJunkin, Home Owner; John Shannon, Home Owner; Charles Gregan, Home Owner; Michael O'Neil; Home Owner; Veronica Montenegro, Neutral Member. Attachment 3 is the recommended slate of committee members.

106 HCR06-103 Request for Modification of Predevelopment Loan to Develop 88 Affordable Senior Apartments (Council District 7)

Recommendation: that the San Diego Housing Commission extends the term from June 30, 2006 to December 31, 2007 on the \$50,000 predevelopment loan to Housing Development Partners of San Diego for the property located at 52nd and El Cajon Boulevard. All other terms and conditions will remain in full force and effect.

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

ACTION AGENDA

Chair Salas asked that Item #105 be trailed after Item #107 is heard.

107 HCR06-89 Smart Corner Leasing Arrangements

Director of Asset Management Steve Snyder gave a staff report.

Commissioner Adams-Brooks asked how many other people have we talked to about leasing space. Mr. Snyder replied there's one letter of intent for the ground floor space and another proposal out for all the space on the second floor.

Chair Salas asked about the restrictions on the second floor. Mr. Snyder stated the restrictions for the second floor require the tenant to be governmental or non-profits agencies.

MOTION BY GLORIA TO APPROVE THE FOLLOWING RECOMMENDATIONS:

1) THAT THE PRESIDENT & CHIEF EXECUTIVE OFFICER (CEO) BE AUTHORIZED TO EXECUTE LEASE DOCUMENTS BETWEEN THE HOUSING COMMISSION AND 7-ELEVEN, INC. (TENANT). FOR RETAIL SPACE AT THE SMART CORNER BUILDING LOCATED AT 1122 BROADWAY, AS APPROVED BY GENERAL COUNSEL TO THE COMMISSION; AND

2) THAT THE HOUSING AUTHORITY DELEGATE AUTHORITY TO THE HOUSING COMMISSION FOR FUTURE BUILDING LEASE ARRANGEMENTS (SO LONG AS THEY ARE EQUAL TO OR GREATER THAN RENTS SHOWN IN THE 2003 PROFORMA) AT THE SMART CORNER BUILDING LOCATED AT 1122 BROADWAY. SECONDED BY ADAMS-BROOKS AND CARRIED ON A UNANIMOUS VOTE OF 4-0 WITH TUMMINIA AND YIP ABSENT.

105 HCR06-107 Proposed Fiscal Year 2007 Budget Revision (Citywide)

Director of Financial Services Ed Mauk gave a staff report.

Commissioner Adams-Brooks asked about the purposes of the reserves. Tim Sturtevant, Budget Officer stated that there are basically three reserves consisting of program, contingency and agency. In summary, what we are trying to achieve is a five percent agency reserve. This budget will take that number to 1.4 percent and we are approximately one third of the way to our goal of a five percent agency reserve. Ms. Morris added, during the Section 8 uncertainties a few years back, a local Section 8 reserve was created for future years and we are proposing to do that for the public housing program as well. Finally, she stated that salaries and benefits remain the same and that the additional monies are going to the program areas.

Commissioner Adams-Brooks stated that she supports the thinking behind the policies. She thinks that they are beneficial and appreciates this dialogue.

Commissioner Basir commented that she was very impressed with the report and how the reserves are broken down.

MOTION BY ADAMS-BROOKS TO APPROVE THE REVISION THAT WILL RESULT IN A NET INCREASE TO THE FISCAL YEAR 2007 BUDGET OF \$11,592,203 AND RECOMMEND FINAL APPROVAL BY THE HOUSING AUTHORITY. SECONDED BY BASIR AND CARRIED ON A UNANIMOUS VOTE OF 4-0 WITH TUMMINIA AND YIP ABSENT.

CLOSED SESSION

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

Wanda Bursey v. San Diego Housing Commission.
San Diego Superior Court, Case No. GIC852825
Court of Appeal for the State of California, Case No. D048025

INFORMATIONAL ONLY

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

James Lihosit v. San Diego Housing Commission, et al.
United States District Court, Southern District of California
Case No. 06 CV 1149J (BLM)

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

Kristina Blizzard v. San Diego Housing Commission
San Diego Superior Court, Case No. GIC 856447

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

San Diego Housing Commission v. Simplon Ballpark LLC
Superior Court of the State of California, Case No. GIC866090

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- e. 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

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

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

Kahn v. San Diego Housing Commission
Superior Court of the State of California, Case No. GIC875717

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

One matter – *Anticipated Litigation against Akins 9, LLC*

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

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


One matter – *Anticipated Litigation against Mr. and Mrs. Agostino Romagnoli*

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

ADJOURNMENT


Chair Salas adjourned the regular meeting at 10:52 a.m.

Respectfully submitted,



Angie Risotti
Executive Assistant to the President and CEO

Approved by,



Elizabeth Morris
President and CEO