



Good Neighbors

San Diego
Housing Commission

MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
JANUARY 14, 2005, 9:00 A.M.
CITY ADMINISTRATION BUILDING
SAN DIEGO, CALIFORNIA**

ATTENDANCE

Present: Commissioners Adams-Brooks, Cramer, Knight, Tumminia and Yip. Also present were President and Chief Executive Officer Elizabeth Morris and Charles Christensen, General Counsel. Chair Salas and Commissioner Grinchuk were absent.

10 CALL TO ORDER

Commissioner Tumminia called the meeting to order at 9:12 a.m.

20 PUBLIC COMMENT

None.

30 COMMISSIONER COMMENTS

Commissioner Adams-Brooks asked Ms. Morris if she would participate in a discussion group on Affordable Housing at the San Diego Foundation in February 2005. Ms. Morris agreed to do it.

40 REPORT BY THE PRESIDENT AND CEO

Ms. Morris stated the main occupation of our industry recently is how to cope with the Section 8 budget situation. Adding, she attended a strategy session in Washington, DC last week and it's clear the funding situation for housing programs is not going to improve. Thus leads us to start thinking of what's sacred about our programs, what needs to change about the programs and how do we protect low-income people? Commissioner Cramer asked about the theory of how the program cuts are being made. Ms. Morris replied that the program cuts seem driven to reduce budget outlays, not to reflect new housing policies. Ms. Morris commented to keep the Board up to date as new policies develop.

50 MINUTES



MOTION BY YIP TO APPROVE REGULAR MEETING MINUTES OF NOVEMBER 19, 2004 SECONDED BY KNIGHT CARRIED ON A VOTE OF 3-0 WITH SALAS AND GRINCHUK ABSENT AND CRAMER AND ADAMS-BROOKS ABSTAINING.

MOTION BY ADAMS-BROOKS TO APPROVE REGULAR MEETING MINUTES OF DECEMBER 10, 2004 SECONDED BY YIP CARRIED ON A VOTE OF 5-0 WITH SALAS AND GRINCHUK ABSENT.

CONSENT AGENDA

MOTION BY YIP TO APPROVE THE FOLLOWING ITEM ON CONSENT:

100 HCR05-01 Application for FY2006 Community Development Block Grant (CDBG) Funds (Citywide)

Recommendation: That the Chief Executive Officer:

1. Apply to the City for 20 percent of the City's FY 2006 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 Manager may ask the Housing Commission to administer.

103 HCR05-04 Supplemental Multifamily Housing Revenue Bonds to Complete Construction of Rancho del Norte Apartments (Council District 1)

Recommendation #1: That the Housing Authority A) Approve a bond inducement resolution in an amount up to \$400,000 to complete construction of the 119-unit Rancho del Norte Apartments. This action will increase the total issuance amount from \$9.825 million to \$10.225 million. All other aspects of the project will remain as originally approved.

B) Approve an application (and subsequent applications if necessary) to the California Debt Limit Allocation Committee for an allocation of authority to issue tax-exempt "private activity bonds" for the Rancho del Norte Apartments; and,

C) City Council hold a public hearing (*known as a TEFRA hearing Tax Equity and Fiscal Responsibility Act*) and adopt a resolution.

SECONDED BY TUMMINIA AND CARRIED ON A UNANIMOUS VOTE OF 5-0 WITH SALAS AND GRINCHUK ABSENT.

ACTION AGENDA

101 HCR05-02 Fiscal Year 2004 Audit Report

Director of Financial Services Ed Mauk provided a staff report.

Commissioner Yip, Chair of the Housing Commission's Audit Committee, stated his observation that this was a very clean audit, records are maintained in accordance to GAAP, and no year-end audit adjustments were required. He complimented Mr. Mauk and his staff for a job well done.

Commissioner Cramer asked about the Board's role in voting to approve the audit report. Counsel stated that the Board's role is to vote on accepting the audit report and is expected to be familiar with its contents.

MOTION BY YIP TO ACCEPT THE FISCAL YEAR 2004 AUDIT REPORTS PREPARED BY CAPORICCI & LARSON. SECONDED BY CRAMER AND CARRIED ON A UNANIMOUS VOTE OF 5-0 WITH SALAS AND GRINCHUK ABSENT.

102 HCR05-03 Proposed Loan, Sale-Leaseback Agreement and Predevelopment Loan Modification with Housing Development Partners of San Diego to Develop 52nd Street Senior Apartments (Council District 7)

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

Commissioner Cramer asked if the project land and financing was offered to non-governmental developers and who reviewed the contract. Ms. Fisher responded Housing Commission staff did not find the property and that several years ago members of the HDP Board identified this opportunity. Ms. Morris stated HDP has staff at the Housing Commission who bills for services and HDP board reviewed the contract. She added that the HDP Board took an aggressive role in negotiating the contract with the owner.

Commissioner Cramer asked if other projects are competing with HDP for tax credits. Ms. Fisher stated she was aware of one family project. It has been problematic for us to find developers for the nine percent tax credit programs because so many up front dollars are needed to get the project started.

Commissioner Yip commented that there are more monies on the table than projects available.

MOTION BY YIP TO APPROVE **RECOMMENDATION 1**: THAT THE HOUSING AUTHORITY TAKE THE FOLLOWING ACTIONS: A) APPROVE AN ASSIGNMENT OF THE OPTION TO PURCHASE THE LAND FOR A TOTAL OF \$1,825,000 (INCLUDING \$25,000 CLOSING COSTS) FROM HOUSING DEVELOPMENT PARTNERS OF SAN DIEGO TO THE SAN DIEGO HOUSING COMMISSION AND ENTER INTO AN ARRANGEMENT WHEREBY HOUSING DEVELOPMENT PARTNERS OF SAN DIEGO WILL LEASE BACK THE PROPERTY UNDER A 65-YEAR LEASE AGREEMENT AS OUTLINED IN THIS REPORT; B) APPROVE A RESIDUAL RECEIPTS LOAN OF UP TO \$2,372,000 AT THE APPLICABLE FEDERAL FUNDS RATE TO THE HOUSING DEVELOPMENT PARTNERS OF SAN DIEGO AND/OR TAX CREDIT LIMITED PARTNERSHIP, AS OUTLINED IN THIS REPORT; AND C) AUTHORIZE THE CHIEF OPERATING OFFICER OF THE HOUSING COMMISSION, OR DESIGNEE, TO EXECUTE ALL DOCUMENTS NECESSARY TO FACILITATE THE FINANCING. **RECOMMENDATION 2**: EXTEND THE TERM FROM JUNE 30, 2004 TO JUNE 30, 2006 ON THE \$50,000 PREDEVELOPMENT LOAN TO HOUSING DEVELOPMENT PARTNERS FOR THE PROPERTY LOCATED AT 52ND AND EL CAJON BOULEVARD. ALL OTHER TERMS AND CONDITIONS WILL REMAIN IN FULL FORCE AND EFFECT. **RECOMMENDATION 3**: ASK THE CITY OF SAN DIEGO TO TAKE SUCH ACTIONS NECESSARY TO GRANT THE HOME FUNDS TO THE SAN DIEGO HOUSING COMMISSION TO EFFECTUATE THE ACQUISITION OF THE PROPERTY ON TERMS AND CONDITIONS REFERENCED HEREIN AND THAT THE CITY ASSUME ADMINISTRATION OF THE HOME GRANT WITH THE SAN DIEGO HOUSING COMMISSION ON TERMS AND CONDITIONS REFERENCED IN THIS REPORT. SECONDED BY ADAM-BROOKS AND CARRIED ON A VOTE OF 4-1 WITH SALAS AND GRINCHUK ABSENT.

CLOSED SESSION

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

- a. Conference with Legal Counsel-Existing Litigation Government Code Section 54956.9 (c)
 1. San Diego Housing Commission vs. Strongly Oriented for Action, San Diego Superior Court Case No. GIC 830901

NO ACTION TAKEN, INFORMATIONAL ONLY

2. Linda-Rae M. Briggs vs. San Diego Housing Commission, et.al: San Diego Superior Court Case No. GIC 825250

NO ACTION TAKEN, INFORMATIONAL ONLY

b. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: President and Chief Executive Officer
Government Code Sections 54957 and 54954.5 (e)
BOARD PERFORMED EVALUATION AS REQUIRED BY LAW.

ADJOURNMENT

Commissioner Tumminia adjourned the regular meeting at 10:40 a.m.

Respectfully submitted,

Approved by,

**Signature on File
With Original Document**

Angie Risotti
Executive Assistant to the President and CEO

Elizabeth C. Morris
President and CEO