



Good Neighbors

San Diego  
Housing Commission

- 1625 Newton Avenue
- San Diego, California 92113-1038
- 619/231 9400
- FAX: 619/544 9193

## HOUSING COMMISSION AGENDA

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**SAN DIEGO HOUSING COMMISSION  
AGENDA FOR THE REGULAR MEETING  
MAY 6, 2005, 9:00 A.M.  
COUNCIL COMMITTEE ROOM  
12<sup>TH</sup> FLOOR, 202 C STREET  
SAN DIEGO, CALIFORNIA**

### **ITEMS**

**10 CALL TO ORDER**

Commissioners Jennifer Adams-Brooks, Tyler Cramer, Leeandrus Knight, Sal Salas, Howard Silldorf, Alice Tumminia and Tony Yip

**20 PUBLIC COMMENT**

At this time individuals may address the Commission on any subject in its area of responsibility on any matter not presently pending before the Commission. Communications are limited to three minutes. Pursuant to the Brown Act, the Commission can take no action. Please fill out a **SPEAKER REQUEST FORM** and submit it to the secretary prior to the meeting.

**30 COMMISSIONER COMMENTS**

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



**50     APPROVAL OF THE MINUTES**

Approval of the minutes of the April 8, 2005, regular meeting.

**ADOPTION AGENDA – CONSENT**

Members of the public may cause an item to be pulled from the Consent Agenda by submitting a Speaker Request Form prior to the meeting. The item will then be discussed separately and public testimony taken.

**100    HCR05-30     Housing Commission Credit Card Authority**

**Recommendation:** That the Housing Commission authorize the CEO to obtain an Agency credit card with a maximum credit limit of \$5,000 to facilitate procurement of Housing Commission goods and services.

**101    HCR05-31     Award of Contract for Kitchen Modernization at 7105-7120  
Eastman Street and 7085-7095 Levant Street. (Council District 6)**

**Recommendation:** Recommend the Housing Authority approve the award of a contract to Grondin Construction, Inc., for \$478,750 and authorize the President & Chief Executive Officer to execute the contract (Attachment 1) and expend the contingency, if necessary, for items not anticipated in the original scope of work at public housing sites on Eastman and Levant Streets.

**102    HCR05-32     Grant Application – HUD Lead Hazard Reduction Demonstration  
Grant (Citywide)**

**Recommendation:** That the Housing Commission authorize submission of an application for HUD's Lead Hazard Reduction Demonstration Grant, and, if successful, seek Housing Authority approval to authorize the President & CEO to amend the FY06 Housing Commission Budget to reflect the additional funds (up to \$4,000,000, see Attachment), and to execute all required documents.

**103    HCR05-33     Linda Vista Redevelopment Area Housing Rehabilitation  
Program (Council District 6)**

**Recommendation No. 1:** Recommend Housing Authority authorization for the President and Chief Executive Officer to execute the Agreement (See Attachment) with the City Redevelopment Agency to administer the Linda Vista Redevelopment Area Housing Rehabilitation Loan Program.

**Recommendation No. 2:** Recommend Housing Authority approval to include \$229,000 in the proposed Fiscal Year 2006 Housing

Rehabilitation owner-occupied loan budget to incorporate City Redevelopment Agency tax increment housing set-aside funds in the amount of \$178,000; and authorize the Housing Commission to utilize remaining funding of approximately \$51,000 from the Linda Vista Redevelopment Project Area's homebuyer program for Housing Rehabilitation Loans in the Linda Vista Redevelopment Area Housing Rehabilitation Loan Program.

**104 HCR05-27 The Sale and Leaseback of the Property Located at 1625 Newton Avenue (District 8)**

(This item was also discussed at the April 8, 2005 meeting.)

**Recommendations:** That the Housing Commission recommend to the Housing Authority approval of the following actions:

1. Authorize the Housing Commission to sell the office facility located at 1625 Newton Avenue to Concordia Communities, LLC, or approved affiliate for Six Million Fifty Thousand Dollars (\$6,050,000) pursuant to the Purchase and Sale Agreement (Attachment 1);
2. Authorize the Housing Commission to enter into a fifteen (15) month Leaseback Agreement (including options to extend lease) with Concordia, or approved affiliate to continue to occupy the office facility located at 1625 Newton Avenue (Attachment 2);
3. Authorize the President and Chief Executive Officer (CEO) to execute all documents, receive funds and make any expenditures necessary to implement these agreements, including lease extensions if needed.

**105 HCR05-34 Proposed Revisions to the First Time Homebuyer Programs (Citywide)**

**Recommendation 1:** That the Housing Commission recommend Housing Authority approval to modify the Down Payment/Closing Cost Assistance Grant (DP/CCAG) Program into a two-tiered program: a) for households in the 100 percent Area Median Income (AMI) Category: the lesser of \$10,000 or four percent of the purchase price; and b) for households in the 80 percent or below AMI category: the lesser of \$15,000 or six percent of the purchase price.

**Recommendation 2:** That the Housing Commission recommend Housing Authority approval to modify the second trust deed loans funded under the Shared Equity Loan Program and Condominium Conversion 80 % AMI Loan Program from 15-year equity sharing to 30-year shared appreciation programs based upon a share of "net appreciation".

**Recommendation 3:** That the Housing Commission recommend Housing Authority approval to expand the Condominium Conversion

home purchase programs to be applicable to any eligible home purchase in the City.

**106**    **HCR05-35**    **Loan Increase and Subordination for Island Village Apartments (Council District 8)**

**Recommendation No. 1:** That the Housing Commission recommend increasing its second position loan by \$800,000, from \$3,600,000 to \$4,400,000, to pay for construction cost increases and increases in project reserves for construction of 280 rent-restricted units located at 1245 Market Street. The terms of the Housing Commission loan would remain the same with the exception of an extension of the loan period by four years.

**Recommendation No. 2:** Revise the FY2005 Rental Housing Production budget by adding \$100,000 of Inclusionary Funds as presented in Attachment 4.

**Recommendation No. 3:** That the Housing Commission recommend subordination of the Housing Commission's Deed of Trust and Declaration of Covenants, Conditions, and Restrictions to senior encumbrances increased by up to \$1,150,000.

**107**    **HCR05-36**    **Proposed Housing Loan for Sunburst Apartments (Council District 2)**

**Recommendation:** That the San Diego Housing Commission recommend Housing Authority approval of the following actions:

- (a) Approve a 3% percent interest residual receipts loan of up to \$934,000 (that will include \$144,000 in the event that an Affordable Housing Program loan is not fully or partially secured) as outlined in this report; and,
- (b) Authorize the Chief Executive Officer of the Housing Commission, or designee, to execute all documents necessary to facilitate the financing.

**108**    **HCR05-41**    **Update to Housing Impact Fees on Commercial Development**

**Recommendation:** Direct staff to prepare an ordinance amending the Housing Impact Fees on Commercial Development (San Diego Municipal Code Chapter 9 Article 8 Division 6), as further described herein, including:

- 1. Use the most recent nexus study data in preparing amendments;
- 2. Adjust building type categories used in the fee schedule and provide that buildings be assessed for the predominant use so long as the primary use constitutes at least 75% of the proposed development;

3. Focus on low income housing needs for people earning less than 80% of Area Median Income;
4. Base adjustments to the fee schedule on mitigating 10% of actual housing impacts as further adjusted below; adopt the fee schedule for all uses as reflected in Attachment 6; apply an annual adjustment factor, based on a recognized index, and mandate the fee amounts be reviewed at least every ten years;
5. Allow the current housing impact fee exemptions in San Diego's two enterprise zones to expire in 2006; allow case-by-case exemptions for offices or manufacturing in redevelopment project areas. When City Council Policy 900-12 is updated, incorporate criteria for case-by-case exemptions for manufacturing and research and development, similar to current policy, and provide an opportunity for Housing Commission input on proposed amendments to the policy. Exempt in-patient acute care hospital development.
6. Continue to authorize the Housing Commission to approve variances for applicants if they meet the specified findings.

**109    HCR05-42    Proposed Fiscal Year 2006 Budget**

**Recommendation No. 1:** Housing Commission and Housing Authority adoption of the \$221.3 million FY06 Proposed Activity Based Budget (Attachment 1).

**Recommendation No. 2:** Recommend that the Housing Authority continue to delegate limited authority to the Housing Commission to amend the FY06 Budget as described on Page 3 of this report, consistent with the policies, programs and activities approved by the Housing Authority, as it has in past years.

**Recommendation No. 3:** Continue to delegate limited authority to the President & CEO to amend the FY06 Budget as discussed on Page 3 of this report, consistent with policies, programs and activities approved by the Housing Authority.

**CLOSED SESSION**

It is anticipated that the San Diego Housing Commission will convene in closed session on Friday, May 6, 2005, at 9:00 a.m. with the following agenda:

- I. Announcement by Counsel of the Matters to be discussed in Closed Session and the basis upon which each will be discussed, as referenced within the Brown Act.

II. Public Testimony and Comment, if any, concerning any matter on the Closed Session Agenda, IV a.

III. Commissioner public comments, if any.

IV. Commission will convene in closed session to consider the following agenda:

a. Conference with Legal Counsel-Existing Litigation Government Code Section 54956.9 (c)

i. Reza Mohammadi dba Southland Construction v. San Diego Housing Commission, and related cross-action, San Diego Superior Court Case No. GIC 845190

Counsel's description of General Nature of Closed Session:

Commission will be updated on the status of the litigation.

V. Labor Negotiations:

a. Conference with Labor Negotiators - Pursuant to Govt. C. § 54957.6:

Agency Representatives: Ad Hoc Committee and Carrol Vaughan for the San Diego Housing Commission.

Employee Organization: SEIU

Counsel's Description of General Nature of Closed Session:

Commission will be updated on the status of these negotiations and directions will be sought.

VI. Announcement of Actions Taken in Closed Session.

VII. Adjournment

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**INFORMATIONAL REPORTS ISSUED SINCE THE LAST  
HOUSING COMMISSION MEETING ON APRIL 8, 2005**