



Good Neighbors

San Diego
Housing Commission

MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE SPECIAL MEETING
JULY 8, 2005, 9:00 A.M.
CITY ADMINISTRATION BUILDING
SAN DIEGO, CALIFORNIA**

ATTENDANCE

Present: Commissioners Jennifer Adams-Brooks, Tyler Cramer, Leeandrus Knight, Sal Salas, Alice Tumminia and Tony Yip. Also present were President and Chief Executive Officer Elizabeth Morris and Charles Christensen, General Counsel.

10 CALL TO ORDER

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

20 PUBLIC COMMENT

Mr. Larry Chaidez, representing Guide Dogs of the Desert commented on the Section 8 program.

30 COMMISSIONER COMMENTS

Commissioner Cramer thanked Mayor Murphy for focusing on housing issues in San Diego and appreciates his leadership. Chair Salas stated that Commissioner Silldorf tendered his resignation.

40 REPORT BY THE PRESIDENT & CEO

None.

CONSENT AGENDA

MOTION BY CRAMER TO APPROVE THE FOLLOWING ITEM ON CONSENT:

101 HCR05-56 Funding for the 2005-2006 City Homeless Programs (Citywide)

Recommendation: That the Housing Authority approve provision of \$505,000 to the City for its FY06 Shelter Programs and the Homeless Coordinator Position.



**102 HCR05-57 San Diego Second Chance Transitional Housing Grant
(Council Districts 3, 4, 7, and 8)**

Recommendation: That the Housing Commission approve a grant in the amount of \$56,250 as partial operating support to San Diego Second Chance's 18-bed Prisoner Reentry Employment Program (PREP) and authorize the President & CEO to execute a contract in a form acceptable to General Counsel.

107 HCR05-64 Selection of Vice Chair, Board of Commissioners

Recommendation: That the Board confirm Chairman Salas' nomination of Tony Yip to be Vice Chairperson of the Housing Commission.

SECONDED BY YIP AND CARRIED ON A UNANIMOUS VOTE OF 6-0.

ACTION AGENDA

100 HCR05-63 Proposed Housing Loan for Sunburst Apartments (Council District 2)

Program Manager Carlos C. de Baca gave a staff report.

Commissioner Cramer asked about the other loans that would be sharing in the fifty percent of residual receipts. Mr. C. de Baca replied that the values were known but not the repayment terms. Ms. Morris added that if we had known what the terms of loans were at the time we would have made a recommendation to share the fifty percent.

Commissioner Cramer asked what the relocation plan is. General Counsel stated that there are specific requirements under state law and it would be our recommendation to hire a specific consultant to make sure it is in compliance with state law.

MOTION BY TUMMINIA TO APPROVE THE RECOMMENDATION **(a)** AMEND ITS RECOMMENDATION TO THE HOUSING AUTHORITY TO ALLOW A PRO-RATA SHARING OF THE RESIDUAL RECEIPTS LOAN PREVIOUSLY APPROVED IN REPORT HCR05-036; AND, **(b)** APPROVE THE PROPOSED RELOCATION PLAN AS SUBMITTED BY THE CENTER AS PART OF THE NOFA APPLICATION; AND **(c)** DELEGATE TO THE CHIEF EXECUTIVE OFFICER, OR DESIGNEE, ADMINISTRATIVE AUTHORITY TO APPROVE ALL FUTURE RELOCATION PLANS THAT ARE SUBMITTED TO THE SAN DIEGO HOUSING COMMISSION AS PART OF AN APPLICATION FOR ASSISTANCE **(d)** RECOMMEND THAT STAFF REVIEW THE LOAN ON AN ANNUAL BASIS.

SECONDED BY YIP AND CARRIED ON A UNANIMOUS VOTE OF 6-0.

103 HCR05-58 Continued Support for the City-County Reinvestment Task Force During Fiscal Year 2006 (Citywide)

Director of the Reinvestment Task Force Jim Bliesner provided a report.

Chair Salas stated that the Board has a fiduciary responsibility and it behooves us to be consistent with the Housing Commission staff and would recommend a three percent salary increase for the RTF Director and analyst, rather than the proposed five percent.

MOTION BY YIP TO APPROVE THE RECOMMENDATION TO AUTHORIZE THE PRESIDENT & CEO TO EXECUTE, WITH REVIEW OF GENERAL COUNSEL, CONTRACTS FOR A THREE PERCENT SALARY INCREASE FOR THE REINVESTMENT DIRECTOR AND A PROGRAM ANALYST TO CONTINUE ACTIVITIES RELATED TO ADMINISTRATION OF THE CITY-COUNTY REINVESTMENT TASK FORCE FROM JULY 1, 2005 TO JUNE 30, 2006. SECONDED BY KNIGHT AND CARRIED ON A VOTE OF 5-1.

104 HCR05-59 Final Authorization to Issue Multifamily Housing Revenue Bonds for Sagewood Apartments (formerly known as "Sycamore Estates Apartments") (Council District 7)

Project Manager Peter Armstrong provided a staff report.

Commissioner Cramer asked if we were acquiring the bond with a view toward redistribution. Mr. Armstrong replied no and that there will be an investor letter that will outline all of the terms of the subordinate bond.

Commissioner Tumminia asked about excess revenues. Mr. Armstrong replied that excess revenues is a source of financing that occurs during a time period of six to eight months when the project is built and leased up and before it converts to permanent financing.

MOTION BY ADAMS-BROOKS TO APPROVE THE RECOMMENDATION TO RECOMMEND HOUSING AUTHORITY AUTHORIZATION OF THE ISSUANCE OF TAX-EXEMPT MULTIFAMILY HOUSING REVENUE BONDS IN AN AMOUNT NOT TO EXCEED \$10,928,000 FOR THE ACQUISITION AND CONSTRUCTION OF THE 106-UNIT SAGEWOOD APARTMENTS BY FAIRFIELD AFFORDABLE HOUSING, LLC IN THE COMMUNITY OF STONEBRIDGE ESTATES IN THE FUA. SECONDED BY TUMMINIA AND CARRIED ON A UNANIMOUS VOTE OF 6-0.

105 HCR05-60 Outsource Contract for Human Resources/Payroll Services

Chief Operating Officer Carrol Vaughan along with Director of Business Services Terry Whitesides and Project Manager Craig Velte provided a staff report.

Commissioner Adams-Brooks asked about the cost difference in the final two bids.

Mr. Whitesides replied because Full Time Solutions (FTS) is located in Irvine, CA, the company would not have the same kind of relocation costs as the other finalist. Ms. Vaughan added that the geographically closest firm that proposed us was Human Resource Capital Consultants located in Carlsbad, CA; however, the firm is a group of independent consultants specializing in organizational development and training.

Commission Yip asked if critical data is going to be maintained at the Housing Commission. Mr. Whitesides replied yes and because of the critical nature of payroll we will retain the current payroll staff for a period of up to six months and we will run a parallel system to ensure accuracy.

MOTION BY YIP TO APPROVE THE RECOMMENDATION THAT THE HOUSING AUTHORITY AUTHORIZE THE PRESIDENT & CEO TO EXECUTE A CONTRACT BETWEEN THE HOUSING COMMISSION AND FULL TIME SOLUTIONS (FTS) FOR A NOT-TO-EXCEED AMOUNT OF \$595,080 (\$249,040 FOR YEAR ONE AND \$292,040 FOR YEAR TWO) DURING THE INITIAL TWO YEAR TERM OF THE CONTRACT WITH THREE ONE-YEAR OPTIONS TO EXTEND THE CONTRACT TERM AND A TEN PERCENT CONTINGENCY (\$54,000) TO ADDRESS ANY PROCESS CUSTOMIZATION NEEDED DURING THE CONTRACT TERM.
SECONDED BY ADAMS-BROOKS AND CARRIED ON A UNANIMOUS VOTE OF 6-0.

106 HCR05-62 Update to Housing Impact Fees on Commercial Development

Policy Advisor Todd Philips provided a staff report.

The following submitted speaker slips in opposition of the recommendation: Mr. Mitch Mitchell, San Diego Regional Chamber Commerce, Mr. Jerry Livingston, National Association of Office of Independent Properties (NAIOP), Ms. Monique Rodriquez, Qualcomm; Ms. Katie Hansen, BIOCUM; Ms. Linda Ivor, Gen-Probe Incorporated; and Mr. John Byrd, Ligand Pharmaceuticals.

Commissioner Cramer asked how hard it is to go through the waiver process if a business wants to relocate here; he believes it would be much simpler to create a marketing package that is inclusive of the wavier process.

Ms. Morris asked if businesses would want to talk to the City of San Diego Community and Economics Development staff to get assistance with navigating through the regulatory process. Mr. Mitchell responded they are trying to make the process easier by allowing outright exemption on fees for all research and development companies; such efforts would require less negotiations.

Commissioner Cramer asked if the ordinance could have the flexibility to develop a package on a case-by-case basis. Mr. Mitchell replied that it could be suggested by the Housing Commission that such a package be developed.

Commissioner Yip suggested that the phasing payment should be made into two payments; one at the time of permit issuances and the other at the time of issuing the certificate of occupancy. He also suggested staff look into an index published by the Construction Financial Management Association.

Commissioner Adams-Brooks asked about the timeline for completing the ordinance. Mr. Philips replied it is currently scheduled to be heard by LU&H for final consideration on September 14, 2005.

DIRECT STAFF TO PREPARE AN ORDINANCE AMENDING THE HOUSING IMPACT FEES ON COMMERCIAL DEVELOPMENT (SAN DIEGO MUNICIPAL CODE CHAPTER 9 ARTICLE 8 DIVISIONS 6), AS FURTHER DESCRIBED HEREIN, INCLUDING:

MOTION BY YIP TO APPROVE THE FOLLOWING RECOMMENDATION:

1. ALLOW ALL RESEARCH AND DEVELOPMENT BUILDING TYPES TO BE CHARGED THE MANUFACTURING RATE OF \$1.18 PER SQUARE FOOT;
SECONDED BY KNIGHT AND CARRIED ON A UNANIMOUS VOTE OF 6-0.

CHAIR SALAS ASKED TO TRAIL THE RECOMMENDATIONS:

2. USE THE CONSUMER PRICE INDEX (CPI) AS THE SOURCE BY WHICH ALL LINKAGE FEES SHALL BE INDEXED STARTING IN YEAR TWO OF THE NEWLY ADOPTED FEE SCHEDULE;
3. DO NOT ALLOW FOR ANY BUILDING TYPES TO HAVE A BLANKET EXEMPTION FROM THE LINKAGE FEE AND STILL ALLOW FOR A CASE-BY-CASE WAIVER DECIDED BY THE CITY COUNCIL AND BASED UPON THE GUIDELINES DESCRIBED BELOW.

CLOSED SESSION

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

- a. Conference with Legal Counsel-anticipated litigation initiation of litigation pursuant to subdivision (c) of Section 54956.9-
One (1) case

BY A VOTE OF 6-0 THE BOARD GAVE DIRECTION TO COUNSEL NOT TO INITIATE LITIGATION.

- b. Conference with Legal Counsel-Existing Litigation Government Code Sections 54956.9 (a) and 54954.5 (c):

1. Department of Fair Employment and Housing v. San Diego Housing Commission, et al., San Diego Superior Court Case No. GIC 833955

CHAIR SALAS LEFT CLOSED SESSION BEFORE THIS MATTER WAS DISCUSSED.

BY A VOTE OF 5-0, THE BOARD GAVE DIRECTION CONCERNING THE DEFENSE OF THE MATTER.

- c. Conference with Legal Counsel-Anticipated Litigation Government Code Sections 54956.9 (b) and 54954.4 (c):
One (1) case.

BY A VOTE OF 5-0 THE BOARD GAVE DIRECTIONS TO COUNSEL TO DEFEND LITIGATION IF AND WHEN IT'S INITIATED.

ADJOURNMENT

Chair Salas adjourned the regular meeting at 11:18 a.m.

Respectfully submitted,

Approved by,

Angie Risotti
Executive Assistant to the President and CEO

Elizabeth C. Morris
President and CEO

