



Good Neighbors

San Diego
Housing Commission

MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
JANUARY 31, 2003, 9:00 A.M.
CITY ADMINISTRATION BUILDING
SAN DIEGO, CALIFORNIA**

ATTENDANCE

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

10 CALL TO ORDER

Chair Salas called the meeting to order at 9:14 a.m.

20 PUBLIC COMMENT

None.

30 COMMISSIONER COMMENTS

Commissioner Grinchuk asked if Public Housing management and maintenance funds could be used for Section 8 rental assistance purposes. CEO Morris replied Public Housing funds must be used solely for public housing operations.

40 REPORT BY THE CHIEF EXECUTIVE OFFICER

Ms. Morris discussed ongoing Federal deliberations on Section 8 appropriations that may lead to a reduction in funds to the Housing Commission, and she reported the Governor would not be pursuing his proposal to acquire redevelopment agencies' affordable housing set-aside funds. The CEO announced the California Court of Appeals ruled recently a property owner must give Section 8 tenants a 90-day Notice to Quit (instead of the standard 30- or 60-days), which could make renting to a Section 8 family less desirable. General Counsel Christensen added that a Request to De-Publish was filed with the California Supreme Court, and the high court has agreed to hear the matter.



Finally, she reported on an Employer Assisted Housing Program developed by the Housing Commission in conjunction with Fannie Mae. She noted the Housing Commission set aside \$1 million in shared equity funds for the program and Council District 1 provided \$30,000 for down payment assistance for eligible low-income families.

Commissioner Cramer encouraged staff to invite private sector employers – especially from the hospitality industry – to participate in the program, and Commissioner Tumminia received information on its effect on Housing Commission staffing needs.

50 APPROVAL OF THE MINUTES

A MOTION BY TUMMINIA TO APPROVE THE MINUTES OF THE DECEMBER 13, 2002, MEETING WAS SECONDED BY YIP AND CARRIED ON A 5-0 VOTE WITH GRINCHUK ABSTAINING AND ROBLES ABSENT.

A MOTION BY GRINCHUK TO APPROVE THE MINUTES OF THE JANUARY 10, 2003, MEETING WAS SECONDED BY CRAMER AND CARRIED ON A 5-0 VOTE WITH YIP ABSTAINING AND ROBLES ABSENT.

60 AFFORDABLE HOUSING TASK FORCE PRESENTATION

Chairperson Jack McGrory provided an overview of the Affordable Housing Task Force (AHTF).

Commissioner Cramer asked the AHTF Chair to describe the relationship between the Task Force and the Housing Commission. Mr. McGrory replied the AHTF's role is to evaluate the City's overall strategy on affordable housing and to expedite the creation of additional housing for low-income families. The Task Force is exploring issues such as tenant's rights, entitlements, the building permit process, and alternative financing of the Housing Trust Fund. Mr. McGrory said the Housing Commission, in contrast, has a certain set of responsibilities given to it by the City Council, and it is well represented in AHTF subcommittees.

CONSENT AGENDA

MOTION BY GRINCHUK TO APPROVE THE FOLLOWING ITEMS ON CONSENT:

100 HCR03-007 – Delegation of Chief Executive Officer Signature Authority

Recommendation: Authorize the Chief Executive Officer to delegate authority to a designee to execute and sign documents during periods of the CEO's absence or unavailability.

101 HCR03-011 – Cancellation of Model School Development Request for Qualifications

Recommendation: Cancel the Request for Qualifications issued in May 2002 for a master developer for the proposed Mid-City Model School Development Project.

103 HCR03-015 – Appointment of Loan Committee Members (Citywide)

Recommendation: Confirm the nomination of Mark K. Stender and Gail L. Scott, and reappoint Linnie Arcangel Gavino, to serve two-year terms on the Loan Committee.

107 HCR03-005 – Application for FY2004 Community Development Block Grant Funds (Citywide)

Recommendation: That the Chief Executive Officer apply to the City for 20 percent of the City's FY2004 CDBG funds for affordable housing; execute a contract with the City for the amount allocated to the Housing Commission, and; execute contracts with other agencies receiving CDBG allocations which the City Manager may ask the Housing Commission to administer.

SECONDED BY TUMMINIA AND CARRIED ON A UNANIMOUS VOTE OF 6-0 WITH ROBLES ABSENT.

ACTION AGENDA

102 HCR03-009 – Two Appointments to the Board of Directors of Housing Development Partners of San Diego (Citywide)

Supervising Project Manager Wendy DeWitt provided a staff report.

Commissioner Cramer asked if the City Council approved the establishment of the Housing Development Partners (HDP). Ms. DeWitt responded that the City Council was not an approving authority when the HDP was created in 1990 but, at that time, several City Council members were Housing Commissioners as well. Additionally, Housing Authority approval is sought when HDP loans and transactions are conducted.

Commissioner Cramer inquired if HDP was involved in other projects not mentioned in the report, and he suggested there might be a perception that the HDP has a competitive advantage in bidding on development projects. Ms. DeWitt replied the HDP bid to participate in the Santa Luz project in the Future Urbanizing Area but it was not selected. Ms. Morris provided historical information on HDP's involvement in the Knox Glen and Mason Hotel acquisitions that demonstrated it is advantageous to the Housing Commission to have links to a non-profit organization such as the HDP.

General Counsel Christensen expressed his opinion that the Housing Commission and the HDP are two separate and distinct entities and there is no conflict by legal definition. Commissioner Grinchuk said he remained philosophically opposed to the idea of HDP, but he is willing to appoint members to its Board.

MOTION BY TUMMINIA TO APPOINT SAL SALAS TO SERVE ON THE BOARD OF DIRECTORS OF HOUSING DEVELOPMENT PARTNERS WAS SECONDED BY ADAMS-BROOKS AND CARRIED ON A VOTE OF 4-1 WITH CRAMER VOTING NO, SALAS ABSTAINING, AND ROBLES ABSENT.

MOTION BY ADAMS-BROOKS TO APPOINT TONY YIP TO SERVE ON THE BOARD OF DIRECTORS OF HOUSING DEVELOPMENT PARTNERS WAS SECONDED BY TUMMINIA AND CARRIED ON A VOTE OF 4-1 WITH CRAMER VOTING NO, YIP ABSTAINING, AND ROBLES ABSENT.

104 HCR03-004 – Modification of Declaration of Covenants, Conditions and Restrictions for 1334 Seventh Avenue (Council District 2)

Commissioner Yip abstained from participating and voting on this item.

Commissioner Grinchuk commented that the proposed units are not affordable to low-income families and the project contains only one- and two-bedroom condominiums. Matthew Jumper, President of San Diego Interfaith Housing Foundation, stated the affordability level exceeds those in most of the downtown area and the square footage of the site constrains the size of the units.

With respect to the affordability restriction, all of the units will remain affordable at current levels for 45 years because tax increment funds are being committed (via a per-buyer \$75,000 silent second trust deed loan through the Centre City Development Corporation.)

MOTION BY TUMMINIA TO MODIFY THE TERMS AND CONDITIONS OF THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE PROPERTY OWNED BY SAN DIEGO INTERFAITH HOUSING FOUNDATION LOCATED AT 1334 SEVENTH AVENUE. THE MOTION WAS AMENDED TO NOTE THAT THE REVISION ALLOWING A FOR-SALE PROJECT IS CONDITIONED UPON THE PROJECT BEING COMPLETED IN ACCORDANCE WITH DOCUMENTS PREPARED BY THE HOUSING COMMISSION'S GENERAL COUNSEL REGARDING THE PROPERTY'S AFFORDABILITY RESTRICTIONS.

SECONDED BY ADAMS-BROOKS AND CARRIED ON A VOTE OF 4-1 WITH GRINCHUK VOTING NO, YIP ABSTAINING, AND ROBLES ABSENT.

105 HCR03-012 – Finance Brokerage Consultant Contract for the Proposed Housing Commission Office Facility

Commissioner Cramer abstained from participating or voting on this item.

Financial Services Manager Ed Mauk provided a staff report.

Commissioner Tumminia received clarification on the up-front expenses that will be incurred in entering into a contract with a finance brokerage consultant.

Mel Shapiro asked why a consultant is needed when a recently approved CCDC resolution states the site under consideration will be a parking lot for the next two years, and he objected to the use of Housing Commission funds for the development of a new office facility.

MOTION BY YIP TO DELEGATE AUTHORITY TO THE CHIEF EXECUTIVE OFFICER TO ENTER INTO A CONTRACT WITH THE MOST QUALIFIED FINANCE BROKERAGE CONSULTANT TO ASSIST THE HOUSING COMMISSION IN OBTAINING FINANCING FOR A PROPOSED OFFICE FACILITY.

SECONDED BY GRINCHUK AND CARRIED ON A VOTE OF 5-0 WITH CRAMER ABSTAINING AND ROBLES ABSENT.

106 HCR02-107 – Modification of Lease for 252 16th Street (Council District 8) – Supplemental (Continued from Last Meeting)

Commissioner Cramer was not present during this portion of the meeting.

Housing Finance and Development Manager Jack Farris provided a staff report.

The Commissioners briefly discussed the value of the vacant lot and agreed that the terms as originally stated (five years) be approved. Chair Salas also recommended that the lease be modified effective March 1, 2003, so that no more approval is needed from the Housing Commission.

MOTION BY TUMMINIA TO RECONSIDER THE LEASE TERM, APPROVED BY THE BOARD OF COMMISSIONERS ON DECEMBER 13, 2002, OF A 22-SPACE PARKING LOT LOCATED AT 252 16TH STREET. THE BOARD AGREED TO REVISE THE DURATION OF THE LEASE TERM FOR A PERIOD OF FIVE YEARS, AND IT FURTHER DIRECTED THAT THE LEASE MODIFICATION BE EFFECTIVE MARCH 1, 2003. SECONDED BY GRINCHUK AND CARRIED ON A VOTE OF 5-0 WITH CRAMER AND ROBLES ABSENT.

Commissioner Cramer returned to the meeting.

CLOSED SESSION

The Commission recessed and convened in closed session with the following agenda:

- I. Conference with Legal Counsel - existing litigation, pursuant to California Government Code Section 54956.9(a) and 54954.5(c):

San Diego Housing Commission, a public agency v. GARDEN VIEW APARTMENTS NO. 1, LTD., a California limited partnership, et al.

DIRECTIONS WERE GIVEN TO COUNSEL BY A VOTE OF 6-0 WITH ROBLES ABSENT.

- II. Conference with Legal Counsel - anticipated (threatened) litigation, pursuant to Government Code Section 54956.9(b)(1) and (b)(3)(D) and 54954.5(c):

One Matter – In re the matter of 630 F Street, LLC, vs. San Diego Housing Commission and City of San Diego

BY A VOTE OF 6-0 WITH ROBLES ABSENT, THE HOUSING COMMISSION VOTED TO APPROVE THE SETTLEMENT BASED UPON THE OFFER OF SETTLEMENT DATED JANUARY 28, 2003. THE BOARD FURTHER DIRECTED HOUSING COMMISSION STAFF TO PROVIDE ALLOCATION OF FUNDS PURSUANT TO THE AGREEMENT TO MAKE PAYMENTS ON BEHALF OF RESIDENTS OF THE MARYLAND HOTEL IN ACCORDANCE WITH A DOCUMENT ON FILE AT THE OFFICE OF THE SAN DIEGO HOUSING COMMISSION.

ADJOURNMENT

Chair Salas adjourned the regular meeting at 10:39 a.m.

Respectfully submitted,

Approved by,

Signature on File with Original Document

Bill Luksic
Docket Coordinator

Elizabeth C. Morris
Chief Executive Officer