



Good Neighbors

San Diego
Housing Commission

MINUTES

CORRECTED

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
AUGUST 15, 2003, 9:00 A.M.
CITY ADMINISTRATION BUILDING
SAN DIEGO, CALIFORNIA**

ATTENDANCE

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

10 CALL TO ORDER

Chair Salas called the meeting to order at 9:18 a.m.

20 PUBLIC COMMENT

None.

30 COMMISSIONER COMMENTS

None.

40 REPORT BY THE CHIEF EXECUTIVE OFFICER

Ms. Morris remarked on three awards presented to the Housing Commission recently by NAHRO for Youth Enrichment & Leadership Development Program; Science and Technology Camp; and the Model School Program. Ms. Morris noted the Office Facility Purchase and Sale Agreement was approved by the Housing Authority on an 8-1 vote.



CONSENT AGENDA

MOTION BY YIP TO APPROVE THE FOLLOWING ITEMS ON CONSENT:

100 HCR03-058 - Section 8 Management Assessment Program (Citywide)

Recommendation: Authorize the Chief Executive Officer to execute the SEMAP Certification and submit it with the resolution to the HUD Los Angeles office by mail and electronically before August 30, 2003.

101 HCR03-055 - Public Housing Assessment System (PHAS) for FY03 (Citywide)

Recommendation: Authorize the Chief Executive Officer to execute the PHAS Certification for Management Operations (Indicator 3) and submit to HUD-Los Angeles office with the approved resolution by mail and electronically before August 31, 2003.

103 HCR03-049 - Application for State of California CalHome Program Funding (Citywide)

Recommendation: That the Housing Commission recommend the City Council authorize an application to the State of California for up to \$3 million in funding from the CalHome Program in support of homeownership.

104 HCR03-062 - Sole Source Procurement for Insurance

Recommendation: Ratify a sole source contract in the amount of \$133,216 with the Housing Authority Insurance Group for the purpose of procuring Commercial Liability, Public Official's Errors and Omissions, and Employment Practices insurance effective from July 1, 2003 through June 30, 2004.

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

ACTION AGENDA

102 HCR03-045 - Completion of Feasibility Study to Establish the San Diego Capital Collaborative

Reinvestment Task Force Director Jim Bliesner provided a staff report.

Commissioner Cramer asked what was the indication of investment interests. Mr. Bliesner stated that an informal assessment of five large banks was recently

completed and three of the five banks have a strong interest in investing in this of type of fund.

MOTION BY TUMMINIA TO ACCEPT REPORT ESTABLISHING AN EQUITY CAPITAL FUND. SECONDED BY ROBLES AND CARRIED ON A UNANIMOUS VOTE OF 6-0 WITH ADAMS-BROOKS ABSENT.

105 HCR03-052 - Change of Ownership Entity for Westview Apartments (Council District 3)

Supervising Project Manager Cissy Fisher provided a staff report.

Commissioner Cramer asked what was the current debt coverage ratio. Jay Powell, representing the City Heights Community Development Corporation, stated that the property has adequate cash flow, adding a Residual Receipts Report is prepared annually for the Housing Commission supporting this assertion.

MOTION BY GRINCHUCK TO APPROVE A CHANGE OF THE OWNERSHIP ENTITY FOR WESTVIEW APARTMENTS FROM WESTVIEW HOME APARTMENTS, LLC TO CITY HEIGHTS COMMUNITY DEVELOPMENT CORPORATION AND TO AUTHORIZE ASSIGNMENT OF ALL OBLIGATIONS OF THE HOUSING COMMISSION'S LOAN AGREEMENT WITH THE LLC TO CHCDC; AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO COMPLETE THE TRANSACTION, SUBJECT TO THE APPROVAL OF GENERAL COUNSEL. SECONDED BY CRAMER AND CAARIED ON A UNANIMOUS VOTE OF 6-0 WITH ADAMS-BROOKS ABSENT.

106 HCR03-065 - Spending Plan for Mercado Apartments Debt Service Savings (Council District 8)

Program Analyst Mary Manaster provided a staff report.

Commissioner Cramer asked if any covenants have not yet been met and what is the current debt service ratio. Mr. Jan Laufik, representing MAAC Project, stated that there were currently no cash flow concerns, adding the project has been running very well. Commissioner Cramer requested a forecast report on potential financial liabilities when the project's tax credit partnership is dissolved in 2010.

MOTION BY TUMMINIA TO AUTHORIZE A SPENDING PLAN FOR MERCADO DEBT SERVICE SAVINGS.

SECONDED BY GRINCHUCK AND CARRIED ON A UNANIMOUS VOTE OF 5-0 WITH ADAMS-BROOKS ABSENT AND YIP ABSTAINING.

A COPY OF COMMISSIONER YIP ABSTENTION IS ON FILE AT THE OFFICE OF THE SAN DIEGO HOUSING COMMISSION.

107 HCR03-064 - 2893 Boston Ave (Council District 8)

Supervising Project Manager Cissy Fisher provided a staff report.

Chief Operating Officer Carrol Vaughan replied to a question from Commissioner Cramer regarding technical assistance to contractors for clarifications on bid documents, and she noted technical assistance is provided to all contractors up to the day before the bid is due.

MOTION BY CHAIR SALAS TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO TAKE ACTIONS NECESSARY TO:

- a) REJECT ALL BIDS RECEIVED FOR CONSTRUCTION OF FIVE PUBLIC HOUSING UNITS AT 2893 BOSTON AVENUE;
- b) REPROGRAM UNEXPENDED HUD FUNDS (CURRENTLY ESTIMATED AT **\$741,739**) FOR USE IN THE HOUSING COMMISSION'S PUBLIC HOUSING MODERNIZATION PROGRAM;
- c) REQUEST THAT HUD WAIVE REPAYMENT OF HUD FUNDS ALREADY EXPENDED FOR THE SITE AS A PUBLIC HOUSING PROJECT;
- d) RETURN AT A FUTURE DATE WITH A PLAN FOR THE USE/DISPOSITION OF THE 2893 BOSTON AVENUE SITE THAT WILL INCLUDE A PROPOSAL FOR ADDITIONAL PUBLIC HOUSING UNITS UTILIZING A SIMILAR AMOUNT OF A FUTURE CAPITAL FUND ALLOCATION.

SECONDED BY CRAMER AND CARRIED ON A UNANIMOUS VOTE OF 6-0 WITH ADAMS-BROOKS ABSENT.

108 HCR03 - Affordable Housing Task

Jack McGrory, representing the Affordable Housing Task Force (AHTF), provided an Executive Summary report.

Commissioner Cramer asked what will be the Housing Commission's role in future AHTF discussions. He also noted that the development process could be streamlined and made more efficient. Mr. McGrory recommended that additional new funding go into Housing Trust Fund and managed by the Housing Commission.

Commissioner Yip asked how the \$2 billion infrastructure deficit would be addressed when the discussions were for only \$1 billion bond. Mr. McGrory recommended the Planning Department assess older communities to prioritize what needs to be done, similar to using the Proposition MM approach. Also

additional funding may be generated by requiring developers to increase their share of public facilities financing.

Chair Salas complimented the Task Force on the wonderful job they are doing.

CLOSED SESSION

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

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

Leticia Ruiz, Manuel Quintero, Auturo Herrere v. San Diego Housing Commission, San Diego Superior Court Case No. GIC 809702.

DIRECTION CONCERNING THE LITIGATION WAS GIVEN TO COUNSEL BY A VOTE OF 6-0 WITH COMMISSIONER ADAMS BROOKS ABSENT.

Caryl Foster, et al. v. 630 F Street, LLC, et al., San Diego Superior Court Case No. GIC 804502.

DIRECTION CONCERNING THE LITIGATION WAS GIVEN TO COUNSEL BY A VOTE OF 5-0-1, WITH COMMISSIONER CRAMER LEAVING THE CHAMBERS AND ABSTAINING AND COMMISSIONER ADAMS BROOKS ABSENT.

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

One (1) matter – In re the matter of San Diego Housing Commission v. Northwestern Mutual Life Insurance Company, Pacifica Companies, North Bonita Partners, N.B. Partners, So. Cal Development, Inc., George Fermanian and Rodney Stone; and/or Commonwealth Land Title Insurance Company, Northwestern Mutual Life Insurance Company, Pacifica Companies v. San Diego Housing Commission.

DIRECTIONS WERE GIVEN TO COUNSEL CONCERNING THE ANTICIPATED LITIGATION BY A VOTE OF 6-0 WITH COMMISSIONER ADAMS BROOKS ABSENT.

- III. Real Property Negotiations

- (a) Conference with Real Property Negotiator – Pursuant to California Government Code Section 54954.5(b) and 54956.8:

Property: 1334 7th Avenue, San Diego, California 92101 ("the Property") currently owned by the San Diego Interfaith Housing Foundation proposed to be sold to Mr. Steve Considine and concerning the release of restrictions in favor of the Commission concerning the Property.

Commission Negotiators: Sal Salas, Elizabeth Morris, Carrol Vaughan, and Jack Farris for the San Diego Housing Commission.

Negotiating Parties: San Diego Interfaith Housing Foundation and/or Mr. Steve Considine or assignee.

Under Negotiation: Price and Terms of Payment for requested release of covenants affecting the Property by Commission.

DIRECTION WAS GIVEN TO REAL PROPERTY NEGOTIATORS CONCERNING PRICE BY A VOTE OF 5-0-1, WITH COMMISSION YIP ABSTAINING AND LEAVING THE CHAMBERS, PURSUANT TO THE APPLICABLE PROVISIONS OF GOVERNMENT CODE SECTION 1091 AND 1091.5 AND WITH COMMISSIONER ADAMS BROOKS ABSENT.

ANNOUNCEMENT OF ACTIONS TAKEN IN CLOSED SESSION:

COUNSEL ANNOUNCED THE ACTIONS TAKEN IN CLOSED SESSION AS REFERENCED IN THESE MINUTES.

ADJOURNMENT

Chair Salas adjourned the regular meeting at 11:20 a.m.

Respectfully submitted,

Approved by,

Angie Risotti
Executive Assistant to CEO

Elizabeth C. Morris
Chief Executive Officer