



Good Neighbors

San Diego
Housing Commission

MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
OCTOBER 24, 2003, 9:00 A.M.
CITY ADMINISTRATION BUILDING
SAN DIEGO, CALIFORNIA**

ATTENDANCE

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

10 CALL TO ORDER

Chair Salas called the meeting to order at 9:12 a.m.

20 PUBLIC COMMENT

None.

30 COMMISSIONER COMMENTS

Commissioner Cramer asked staff for a report of projects that are currently in the pipeline.

Chair Salas asked about the status of spot-checking residual interest loans and when will this report be completed.

Commissioner Grinchuk commented on his conversation with Ms. Morris regarding a future workshop with the City's Homeless Services Coordinator on homelessness and transitional housing.

40 REPORT BY THE CHIEF EXECUTIVE OFFICER

Ms. Morris commented on the recent Rules Committee Meeting on funding recommendations of the Affordable Housing Task Force. Committee members did not approve of moving forward to put this on the March ballot and expressed



reservation about using TOT and car rental tax. However, there was a recommendation that was approved unanimously to take a broad look at the city needs for infrastructure and work with communities to develop a priority list. Also approved unanimously was direction to the City Manager to come back with a strategy on what the appropriate funding needs are for infrastructure, housing and other activities and how to approach funding for them.

Ms. Morris also announced her newly elected position as Vice President of NAHRO (National Association of Housing and Redevelopment Officials) for Housing giving us the opportunity to voice our views at the National level.

50 APPROVAL OF THE MINUTES

A MOTION BY CRAMER TO APPROVE THE MINUTES OF SEPTEMBER 12, 2003 REGULAR MEETING WAS CARRIED ON A 6-0 VOTE.

A MOTION BY TUMMINIA TO APPROVE THE MINUTES OF OCTOBER 3, 2003 REGULAR MEETING WAS CARRIED ON A 6-0 VOTE.

ACTION AGENDA

100 HCR03-092 - Application for State of California Exterior Accessibility Grants for Renters (EAGR) Program (Citywide)

MOTION BY YIP TO APPROVE APPLICATION FOR STATE OF CALIFORNIA EXTERIOR ACCESSIBILITY GRANTS FOR RENTERS. SECONDED BY CRAMER AND CARRIED ON A UNANIMOUS VOTE OF 6-0.

101 HCR03-079 - Loan and Initial Authorization to Issue Multifamily Housing Revenue Bonds for Beyer Courtyard Apartments (Council District 8)

Project Manager, Dan Cady provided a staff report.

Chair Salas asked for an explanation of the tax liability if the Housing Commission were to assume ownership. Mr. Farris stated if the capital account balance goes below what the limited partner puts in there can be a tax liability. Typically the deal is structured so that the tax liability is zero at the time of exercising the option.

Commissioner Yip commented that it appears the limited partners are walking away from the negative capital account and the tax liability. Mr. Farris stated it is structured from the beginning that the general managing partner has control over the budget to help reduce or eliminate the negative capital account. Mr. Christensen stated this is an option to acquire and there is no tax liability with exercising this option.

Commissioner Cramer asked if the option is transferable and if the bonds are assumable. Mr. Christensen stated that the option indeed is transferable. Mr. Farris stated the bonds are assumable.

MOTION BY YIP TO APPROVE ISSUANCE OF MULTI-FAMILY HOUSING REVENUE BONDS FOR BEYER COURTYARD APARTMENTS. SECONDED BY TUMMINIA AND CARRIED ON A UNANIMOUS VOTE OF 6-0.

102 HCR03-091 - Request by Diocese of San Diego for a Variance From Payment of Housing Trust Fund Impact Fees (Council District 1)

Program Analyst, Ann Kern provided a staff report on Items 102 and 103.

Commissioner Yip asked if waiving the fees was intended to prevent hardship to these various agencies. Cissy Fisher responded probably not; if the applicant has enough money to build a project, it's really hard to make the case that they don't have the money to pay the impact fee. She added that no official hardship request has ever been filed with the Housing Commission.

Chair Salas recommended to staff that a change in policy should be considered for staff level decision-making. Cissy Fisher stated that there are no mechanisms in place right now for administrative decisions. Attention could be given to expediting these decisions when there is an opportunity to update the ordinance. Ms. Morris stated the procurement process has begun for a consultant based on a recommendation by the Affordable Housing Task Force and action by the Land Use & Housing Committee to update the Nexus study.

MOTION BY YIP TO DENY LOW EMPLOYEE DENSITY VARIANCE REQUEST, REASSESS HOUSING IMPACT FEES AND AWARD A PARTIAL REFUND OF \$32,577. SECONDED BY GRINCHUK AND CARRIED ON A VOTE OF 5-1 WITH TUMMINIA VOTING NO.

103 HCR03-095 - Request by Marian Catholic High School for a Variance From Payment of Housing Trust Fund Impact Fees (Council District 8)

MOTION BY YIP TO APPROVE THE VARIANCE REQUEST AND WAIVE THE PAYMENT OF \$1,152. IN HOUSING IMPACT FEES. SECONDED BY GRINCHUK AND CARRIED ON A VOTE OF 5-1 WITH TUMMINIA VOTING NO.

104 HCR03-095 - Actions Establishing Chief Executive Officer Compensation for period Ending July 31, 2004 and retroactive to August 1, 2003

Mr. Christensen presented a report prepared by the Board's Performance Evaluation Ad Hoc Committee that cites comparable salary information for other organizations and recommends a 7 percent increase in the CEO's base salary effective August 1, 2003 and a performance bonus for her exemplary work not less than \$10,000 and not more than \$20,000. Commissioner Adams-Brook stated that Ms. Morris was outstanding in all of the categories of her review and that there were great strides in housing this year, adding that the high performing employees were given 5 to 7 percent salary increases.

Chair Salas commented on a conversation he had with Ms. Morris regarding upcoming union negotiations and staff salary increases. Ms. Morris asked that, taking employees into account, she receive no more than 5 percent salary increase (range and step increases) and no more than \$10,000 performance bonus. Carrol Vaughan, Chief Operating Officer, noted that employees' salaries, in this current fiscal year, were not affected by any budget shortfalls. She added that next July, the Board may want to consider treating the CEO similarly to other employees. Commissioner Cramer noted that the CEO serves at will and, recognizing the work involved in the evaluation process, stated that he would prefer to take the committee's recommendation.

MOTION BY CRAMER TO APPROVE THE AD HOC COMMITTEE RECOMMENDATION FOR SALARY INCREASE TO \$150,000 PER YEAR PLUS OTHER BENEFITS AS REFERENCED IN THE STAFF REPORT RETROACTIVE TO AUGUST 1, 2003 TO COINCIDE WITH THE ANNIVERSARY DATE OF CONTRACT PLUS A \$20,000 BONUS AS RECOMMENDED BY THE PERFORMANCE EVALUATION AD HOC COMMITTEE. MOTION WAS SECONDED BY ADAMS-BROOK.

Commissioner Tumminia suggested that Ms. Morris receive a salary increase of \$150,000 and a \$15,000 performance bonus for her outstanding performance review.

MOTION BY GRINCHUK TO AMEND THE PENDING MOTION TO PROVIDE A BONUS OF \$15,000 IN LIEU OF THE \$20,000 REFERENCED IN THE MAIN MOTION. MOTION TO AMEND THE MOTION WAS SECONDED BY YIP. THE MOTION TO AMEND WAS CARRIED ON A VOTE OF 5-1 WITH COMMISSIONER CRAMER VOTING, NO.

VOTE ON THE AMENDED MOTION CARRIED BY A UNANIMOUS VOTE OF THE BOARD OF 6-0.

CLOSED SESSION

The Housing Commission did not convene in closed session.

ADJOURNMENT

Chair Salas adjourned the regular meeting at 10:36 a.m.

Respectfully submitted,

Approved by,

Signature on File with Original Document

Angie Risotti

Executive Assistant to CEO

Elizabeth C. Morris

Chief Executive Office