



Good Neighbors

San Diego
Housing Commission

MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
NOVEMBER 14, 2003, 9:00 A.M.
CITY ADMINISTRATION BUILDING
SAN DIEGO, CALIFORNIA**

ATTENDANCE

Present: Chair Salas and Commissioners Cramer, Tumminia, Grinchuk, 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 9:10 a.m.

20 PUBLIC COMMENT

None.

30 COMMISSIONER COMMENTS

Commissioner Cramer thanked staff for responding to his request for the pipeline report, adding that Mr. Shapiro asked about the pipeline report. Commissioner Cramer indicated that he copied his email correspondence with Mr. Shapiro to staff as a courtesy. He further stated he has not responded to Mr. Shapiro's question because he did not know if that would be permitted by the Brown Act.

Chair Salas announced Commissioners Yip and Grinchuk would participate in the Audit Committee that he would like to convene.

40 REPORT BY THE CHIEF EXECUTIVE OFFICER

Ms. Morris announced the San Diego Housing Commission has procured permanent financing for the purchase of the Office Building in conformance with annual payments of interest and principal within the parameter of \$1,754,000 for the initial year approved by the Housing Authority on July 29, 2003. Based upon



the recommendation of the Ad Hoc Committee, the Lender Commitment Letter and the Swap Agreement were both delivered to U.S. Bank.

The San Diego Housing Commission has also deposited the required earnest money into escrow at Chicago Title Company in compliance with the terms and conditions of the Purchase and Sale Agreement. Lankford & Associates is proceeding with the process of design of the office building.

Ms. Morris also added that the San Diego Housing Commission is borrowing less than the \$21 million as referenced in the Purchase and Sale Agreement at an interest rate that exceeds the target of 7% slightly, but, again, the total annual cost is equal to that approved by the both the San Diego Housing Commission and the Housing Authority this past summer.

50 APPROVAL OF THE MINUTES

A MOTION BY YIP TO APPROVE THE MINUTES OF OCTOBER 24, 2003 REGULAR MEETING. SECONDED BY TUMMINIA AND CARRIED ON A UNANIMOUS VOTE OF 5-0 WITH ADAMS-BROOKS ABSENT.

CONSENT AGENDA

MOTION BY TUMMINIA TO APPROVE THE FOLLOWING ITEMS ON CONSENT:

100 HCR03-098 – Award of Site Cleaning Contract (Citywide)

Recommendation: Approve the award of contract for \$123,469 to Aztec Landscaping, Inc. for the period of one-year with two additional one-year options, and authorize the Chief Executive Officer to execute the contract.

103 HCR03-097 – Grant to Vietnam Veterans of San Diego, Inc. for Construction of Veterans Village (Council District 2)

Recommendation: It is recommended that an \$82,000 predevelopment loan to Vietnam Veterans of San Diego (VVSD) be converted to a revocable grant to the Veterans Village project.

104 HCR03-105 – Appointment of Vice Chairperson, Board of Commissioners

Recommendation: That the Board confirm Chairperson Salas' nomination of Robert Grinchuk to be Vice Chairperson of the Housing Commission. Commissioner Grinchuk will act as Chair in the absence of the Chairperson for any matters brought to the Housing Commission.

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

CONSENT AGENDA

101 HCR03-100 – Multifamily Housing Revenue Bonds for the Hillside Garden Apartments (Council District 7)

Project Manager Peter Armstrong provided a staff report.

Commissioner Yip asked who was the current property owner. Mr. Jeffrey Smith, KOR Realty Group, stated that a limited partnership recently bought the property, however, the property is controlled by KOR Realty Group as managing partners.

Commissioner Cramer asked who was going to be the tax credit consultant. Mr. Smith stated that the tax credit consultant has not yet been chosen.

MOTION BY CRAMER TO APPROVE THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS FOR THE HILLSIDE GARDEN APARTMENTS. SECONDED BY YIP AND CARRIED ON A UNANIMOUS VOTE OF 5-0 WITH ADAMS-BROOKS ABSENT.

102 HCR03-101 – Final Authorization to Issue Multifamily Housing Revenue Bonds for Rancho del Norte Apartments (Council District 1)

Project Manager Peter Armstrong provided a staff report.

Commissioner Cramer asked who is the tax credit investor. Mr. Armstrong replied, MMA Financial.

Commissioner Grinchuk supported the project but expressed his concerns regarding putting all restricted units in one centralized complex stating this kind of development violates the goals of inclusionary zoning to create balanced communities. Chair Salas agreed with Commissioner Grinchuk's concerns, however, the quality of these restricted units would not diminish over time.

Commissioner Cramer commented that a way to encourage more developers to participate in affordable housing projects is for developers to receive their development fees earlier especially if the projects are performing on time and on budget.

Mr. Farris responded that he agrees that most developers earn their development fees and would communicate this to the State's MHP Loan and Grant Committee.

MOTION BY GRINCHUK TO APPROVE THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS FOR THE RANCHO DEL NORTE APARTMENTS.

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

Chair Salas requested to trail Item 105 after Item 106 was heard.

106 HCR03-103 – East Village Affordable Housing Agreement (District 2)

Chief Policy Advisor Susan Tinsky provided a staff report.

Chair Salas asked how far along is the development process and what is the likelihood of transferring the property. Dale Royal, Center City Development Corporation, stated the property has been granted a development permit and is pending demolition, adding that it is very unlikely the property would be transferred.

Ms. Morris gave special thanks to Dale Royal, Ms. Tinsky, Counsel and the developers for their creativity in this project.

MOTION BY TUMMINIA TO APPROVE EAST VILLAGE AFFORDABLE HOUSING AGREEMENT. SECONDED BY YIP AND CARRIED ON A UNANIMOUS VOTE OF 5-0 WITH ADAMS-BROOKS ABSENT.

105 HCR03-106 – Fund Commitment and Relocation Technical Assistance to the City of San Diego for the De Anza Harbor Resort Settlement (Council District 6)

Jack Farris, Housing Finance and Development Manager, provided the staff report. Will Griffith, Director of the City's Real Estate Assets Department, added comments.

MOTION BY CRAMER TO REFER TO THE HOUSING AUTHORITY WITHOUT A HOUSING COMMISSION BOARD RECOMMENDATION THE REQUEST THAT THE HOUSING COMMISSION PROVIDE \$2 MILLION TO THE CITY OF SAN DIEGO AS BACKSTOP FUNDING TO SUPPORT THE CITY'S TRANSITION PLAN AND RELOCATION ASSISTANCE FOR THE DE ANZA HARBOR RESORT. FURTHER, TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXPEND FUNDS FOR THIS PURPOSE. SECONDED BY YIP.

MOTION BY TUMMINIA TO AMEND THE MOTION BY ADDING A REQUEST THAT THE FUNDS BE REPLACED AS SOON AS POSSIBLE. SECONDED BY YIP AND CARRIED WITH A VOTE OF 5-0 WITH ADAMS-BROOKS ABSENT.

MOTION BY GRINCHUK TO AMEND THE MOTION TO STRESS THE BOARD'S CONCERN THAT USE OF THE SECTION 8 RESERVES COULD HAVE SERIOUS IMPLICATIONS FOR THE SECTION 8 PROGRAM. SECONDED BY YIP AND CARRIED WITH BY A VOTE OF 5-0 WITH ADAMS-BROOKS ABSENT.

MOTION, AS AMENDED, WAS APPROVED BY A VOTE OF 4-1 WITH SALAS VOTING NO AND ADAMS –BROOKS ABSENT.

CLOSED SESSION

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

I. Conference with Real Property Negotiations

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

<u>Property:</u>	Covenant to Restrict use of Property- Environmental Restriction-3010 39 th Street, San Diego, California; APN 454-481-31.
<u>Agency Negotiators:</u>	Carrol Vaughan, Elizabeth Morris and Steve Snyder on behalf of the Housing Authority of the City of San Diego
<u>Negotiating Parties:</u>	Grace C. Lowenberg (Office of the City Attorney) on behalf of the City of San Diego.
<u>Under Negotiation:</u>	Price and Terms of Payment for Covenant to Restrict Use of Property.

BY A UNANIMOUS VOTE OF 5-0 WITH ADAMS-BROOKS ABSENT, THE BOARD GAVE INSTRUCTIONS TO REAL PROPERTY NEGOTIATOR CONCERNING THE ACQUISITION AND THE IMPOSITION OF A COVENANT TO RESTRICT THE USE OF REAL PROPERTY.

II. Conference with Real Property Negotiations

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

<u>Property:</u>	San Diego School District's Offer to Purchase the following property: 4118-4132 52 nd Street, San Diego, California; APN 472-272-16 and 472-272-17.
------------------	--

Agency Negotiators: Wendy DeWitt, Peter Armstrong, and Steve Snyder and Elizabeth Morris for the San Diego Housing Commission.

Negotiating Parties: Sue Lawrence, L.M. Smith, and B. Kiesling for the San Diego Unified School District.

Under Negotiation: Price and Terms of Payment of the subject Property owned by the Housing Authority of the City of San Diego.

BY A UNANIMOUS VOTE OF 5-0 WITH ADAMS-BROOKS ABSENT, THE BOARD GAVE INSTRUCTIONS ON PRICE AND TERMS OF PAYMENT TO NEGOTIATOR CONCERNING THE ACQUISITION OF THE REAL PROPERTY.

ADJOURNMENT

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

Respectfully submitted,

Angie Risotti
Executive Assistant to CEO

**Signature on File
With Original Document**

Approved by,

Elizabeth C. Morris
Chief Executive Office