



MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
MARCH 1, 2002, 9:00 AM
CITY ADMINISTRATION BUILDING
SAN DIEGO, CALIFORNIA**

ATTENDANCE

Present: Commissioners Dick, Grinchuk, Robles, Salas, and Steinke. Also present were Chief Executive Officer Elizabeth Morris and Charles Christensen, General Counsel. Chair Arthur and Commissioner Tumminia were absent.

10 CALL TO ORDER

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

20 PUBLIC COMMENT

None.

30 COMMISSIONER COMMENTS

None.

40 REPORT BY THE CHIEF EXECUTIVE OFFICER

Ms. Morris informed the Board that the Land Use and Housing Committee would meet on April 17 to discuss housing issues, including the Balanced Communities Housing Program and a citywide housing strategy report.

50 APPROVAL OF THE MINUTES

Mel Shapiro said the minutes from the last meeting did not note Commissioner Steinke's request for a copy of a December 18, 2001 memorandum from Chief Executive Officer Morris concerning affordable housing. Commissioner Steinke agreed with Mr. Shapiro and asked that the February 1 minutes be revised to reflect this information. (Revised minutes are on file in the Office of the San Diego Housing Commission.)



MOTION BY STEINKE TO APPROVE THE MINUTES OF THE FEBRUARY 1, 2002 REGULAR MEETING TO INCLUDE THE ABOVE CHANGE.

SECONDED BY GRINCHUK AND CARRIED ON A UNANIMOUS VOTE OF 5-0 WITH ARTHUR AND TUMMINIA ABSENT.

CONSENT AGENDA

MOTION BY STEINKE TO APPROVE THE FOLLOWING ITEMS ON CONSENT:

100 HCR02-011 – Award of Contract for Replacement of Roof and Application of Stucco at One Public Housing Site (Council District 8)

Recommendation No. 1: Forward for Housing Authority approval the request of Leo's A-C Inc., to withdraw its bid in accordance with the applicable provision of the public contracting code.

Recommendation No. 2: Forward for Housing Authority approval an award of contract in the amount of \$299,000 to Stevens Construction for the removal and replacement of roof and application of stucco color coat at 2005-2065 Alaquinas Drive.

103 HCR02-013 – Approval to Participate in a Model School Project via a Joint Powers Agreement (Council District 3)

Recommendation: Authorize the Chief Executive Officer to enter into a Joint Powers Agreement to establish a framework to develop a new school site with housing and commercial elements.

SECONDED BY ROBLES AND CARRIED ON A UNANIMOUS VOTE OF 5-0 WITH ARTHUR AND TUMMINIA ABSENT.

ACTION AGENDA

101 HCR02-012 – Amendment to the Contract with Dean Application Consulting for Financial Software Consulting Services (Citywide)

Commissioner Robles asked why the contract amount has nearly doubled.

Information Systems Manager Alan Perlman responded that the increased funding is needed to develop and integrate additional PeopleSoft modules. Acting Chair Dick asked if this could have been anticipated when the software was originally installed. Mr. Perlman replied that the software is complex and its learning curve is high, and CEO Morris added the scope of services has expanded significantly since

the initial contract. Acting Chair Dick noted there is a delicate balance between over-budgeting and under-planning.

Commissioner Salas asked if there is a housing authority with a similar software system. Mr. Perlman said two regional entities use the same program, and their implementation costs are markedly higher than those borne by the Housing Commission.

MOTION BY SALAS TO APPROVE AN INCREASE IN THE MAXIMUM COMPENSATION DUE UNDER THE CONTRACT WITH DEAN APPLICATION CONSULTING BY \$50,000 TO A NOT-TO-EXCEED AMOUNT OF \$96,050.

SECONDED BY ROBLES AND CARRIED ON A UNANIMOUS VOTE OF 5-0 WITH ARTHUR AND TUMMINIA ABSENT.

102 HCR02-009 – Phase II: Housing Commission Office Facility Needs: Agreement with Keyser Marston Associates (Citywide)

Program Analyst Rob Albrecht provided a staff report.

Mel Shapiro voiced opposition to plans to develop a new office facility, and he asked if the budget revision would be forwarded to the Housing Authority. In response to Mr. Shapiro, CEO Morris said this action is within the Housing Commission's budgetary and contracting approval, but future matters relating to the office facility would require Housing Authority action.

Commissioner Salas asked what sources of funding will be used to pay for the Phase II contract. Mr. Albrecht replied \$18,000 will be drawn from the Board and Executive "Contract/Consultant" line item, and the remaining amount will be transferred from Reserves.

Commissioner Steinke inquired if an economic rationale has been developed for pursuing the construction of a new facility. Acting Chair Dick, who is a member of an Ad Hoc subcommittee analyzing this issue, said a new office building represents the best economic alternative and it provides an opportunity to create mixed-use housing on the site as well.

MOTION BY GRINCHUK TO **RECOMMENDATION NO. 1:** AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE AN AGREEMENT WITH KEYSER MARSTON ASSOCIATES IN AN AMOUNT NOT TO EXCEED \$138,000 FOR PHASE II CONSULTING SERVICES; AND,

RECOMMENDATION NO. 2: AUTHORIZE A TRANSFER OF \$120,000 FROM RESERVES TO FACILITIES; AND APPROVE A BUDGET REVISION IN THE SAME AMOUNT.

SECONDED BY SALAS AND CARRIED ON A UNANIMOUS VOTE OF 5-0
WITH ARTHUR AND TUMMINIA ABSENT.

104 HCR02-005 – FY 2003 Budget Planning Discussion (Citywide) – Supplemental

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

During a discussion relating to income earned from loan repayments and shared equity, CEO Morris explained the income is restored to its funding source (i.e., HTF program income is returned to the HTF, HOME fund program income is returned to the HOME fund), and the money becomes part of the unrestricted funds that are allocated the subsequent year.

Ms. Morris remarked that maintaining the current housing stock, assisting homebuyers and developing new rental housing opportunities are important ways of addressing San Diego's housing needs, and she recommends keeping some level of funding in each of these program areas.

In response to questions from Acting Chair Dick and Commission Steinke concerning how the Commission determines the percentage of unrestricted funds allocated to various activities, Mr. Farris replied that developer demand and other market conditions dictate, in part, the apportionment process.

Mel Shapiro criticized the decision to delete a column from Attachment 1 of the report and to remove information regarding funding rental assistance. Finally, he stated it is misleading to suggest there are affordability levels for rental housing (rehabilitation) since there is no such income requirement in this program.

Commissioner Steinke asked if the Board had flexibility at mid-fiscal year to reallocate funds from category to category. Mr. Farris responded adjustments can be made during the year, and any request would be presented to the Board for approval. Commissioner Salas inquired if there were any new rental housing projects awaiting funding. Mr. Farris replied the demand is low at the moment, but he hopes the recently released Notice of Funding Availability will generate interest among developers.

Acting Chair Dick confirmed that none of the unrestricted funds are used for the Housing Commission's direct rental assistance program, and the overall goals of the Housing Commission are best served by allocating this money to other areas where funding is not sufficient.

MOTION BY ROBLES TO PRELIMINARILY APPROVE THE ALLOCATION OF UNRESTRICTED FUNDS AS PRESENTED IN THE REPORT AND ALLOW

FOR ANY CHANGES IN ALLOCATION WHEN THE FY03 BUDGET IS
CONSIDERED.

SECONDED BY GRINCHUK AND CARRIED ON A UNANIMOUS VOTE OF 5-0
WITH ARTHUR AND TUMMINIA ABSENT.

The Commission recessed and convened in closed session with the following agenda
(Commission Steinke was not present for closed session):

- I. San Diego Housing Commission, a public agency; and Housing Authority
of the City of San Diego, a public agency v. WEYERHAEUSER
COMPANY, a Washington Corporation et al.
San Diego Superior Court Case No. GIC755508

THIS ITEM WAS NOT DISCUSSED.

- II. Real Property Negotiations

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

Property: A 60,000 square foot block bounded by
C Street, 11th and 12th Avenues, and
Broadway

INSTRUCTIONS WERE GIVEN TO GENERAL COUNSEL BY A VOTE OF 4-0
WITH ARTHUR, STEINKE AND TUMMINIA ABSENT.

ADJOURNMENT

Acting Chair Dick adjourned the meeting at 10:35 a.m.

Respectfully submitted,

Bill Luksic
Docket Coordinator

**Signature on File
With Original Document**

Approved by,

Elizabeth C. Morris
Chief Executive Officer