



MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
JUNE 7, 2002, 9:00 AM
CITY ADMINISTRATION BUILDING
SAN DIEGO, CALIFORNIA**

ATTENDANCE

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

10 CALL TO ORDER

Chair Arthur called the meeting to order at 9:13 a.m.

20 PUBLIC COMMENT

None.

30 COMMISSIONER COMMENTS

None.

40 REPORT BY THE CHIEF EXECUTIVE OFFICER

The CEO announced that a groundbreaking ceremony took place for the Casa Familiar development in San Ysidro in which the Board previously approved preserving \$120,000 in silent second loans. Ms. Morris reported that the YWCA selected Section 8 Supervisor Theresa Ahamed for the Tribute to Women in Industry award, and the Housing Commission was nominated by the San Diego Housing Federation as Outstanding Lender of the Year in 2001. Finally, she informed the Board that a workshop would be held this Fall to discuss how bond and tax credit projects are scored.

50 APPROVAL OF THE MINUTES

MOTION BY SALAS TO APPROVE THE MINUTES OF THE MAY 10, 2002 MEETING. SECONDED BY TUMMINIA AND CARRIED ON A UNANIMOUS



VOTE OF 3-0 WITH DICK AND ROBLES ABSENT AND GRINCHUK
ABSTAINING.

**Commissioner Robles arrived.*

CONSENT AGENDA

MOTION BY GRINCHUK TO APPROVE THE FOLLOWING ITEMS ON CONSENT:

101 HCR02-051 – Award of Contracts for Administration, Brokerage and Consulting Services for Employee Group Benefits and Pension Programs

Recommendation No. 1: Approve the award of contract for administration, brokerage and consulting services to Barney & Barney for Employee Group Benefits at an amount not to exceed \$111,680.

Recommendation No. 2: Approve the award of contract for employee Pension Plan and 457 Deferred Compensation Plan consulting services to Gabriel, Roeder, Smith & Company at an amount not to exceed \$120,000.

102 HCR02-052 – U.S. Department of Housing and Urban Development Super Notice of Funding Availability Applications (Citywide)

Recommendation: Authorize grant applications under the 2002 SuperNOFA for the Resident Opportunities and Self-Sufficiency (ROSS) Resident Service Delivery Model program, the ROSS Neighborhood Networks program, and four Shelter Plus Care renewal applications under the Continuum of Care program.

104 HCR02-045 – Legal Services Contract (Citywide)

Recommendation No. 1: Approve an increase of \$90,000 to the current legal services contract with Detisch & Christensen, and authorize the Chief Executive Officer to amend the fiscal year 2002 budget accordingly.

Recommendation No. 2: Approve the assignment of the current legal services contract to Christensen, Schwerdtfeger & Spath, L.L.P. as allowed under Section 211 of the contract.

106 HCR02-049 – Article XXXIV Referendum Authority (Citywide)

Recommendation: Ratify the Rules Committee recommendation of June 5, 2002, and recommend that the City Council place an Article XXXIV referendum on the November 5, 2002, ballot.

Ms. Morris informed the Board that the Rules Committee endorsed this proposal and it forwarded for Council consideration an authorization to approve the development of no more than 5,000 units as defined by Article 34 of the California Constitution.

110 HCR02-056 – Contract with U.S. Department of Housing and Urban Development for Management Services

Recommendation: Forward for Housing Authority approval a recommendation to authorize the Chief Executive Officer or designee to open negotiations with the Department of Housing and Urban Development, Los Angeles, to provide management services to the Housing Authority of the City of Calexico.

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

ACTION AGENDA

100 HCR02-031 – Revisions to Public Housing Admissions and Continued Occupancy Plan and Lease Agreement (Citywide)

Chair Arthur and Commission Robles received clarification from Housing Supervisor Carolyn Weidetz about the nature of economic deconcentration efforts in public housing.

MOTION BY TUMMINIA TO APPROVE REVISIONS TO THE PUBLIC HOUSING ADMISSIONS AND CONTINUED OCCUPANCY PLAN AND LEASE AGREEMENT. SECONDED BY ROBLES AND CARRIED ON A UNANIMOUS VOTE OF 5-0 WITH DICK ABSENT.

103 HCR02-046 – Application for HUD Lead Hazard Control Grant Program (Council District 8)

Commissioner Grinchuk asked why this application only applied to communities in Council District 8. Senior Program Analyst Lyle Knudson responded that the highest concentration of housing with lead paint is in District 8, and it has a large population of families with children six years of age or younger. CEO Morris added the selection process is not by council district but by which communities best meet the selection criteria.

He inquired about the Environmental Health Coalition and if they educate communities on the hazards of lead-based paint. Mr. Knudson remarked the organization is a non-profit health advocacy group that explains the hazards of

lead-based paint, encourages safe workplace handling of lead paint, and refers children for lead testing.

Finally, he asked why there is no industry representation in the program. Mr. Knudson replied that residential housing and building representatives are usually involved in the rehabilitation portion of the actual contracts. He added that the U.S. Department of Housing and Urban Development is encouraging grantees to collaborate with non-profit agencies, social organizations, county health clinics and environmental groups.

MOTION BY GRINCHUK TO AUTHORIZE AN APPLICATION FOR HUD'S LEAD HAZARD CONTROL GRANT PROGRAM, AND SEEK HOUSING AUTHORITY APPROVAL TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO AMEND THE FY03 HOUSING COMMISSION BUDGET AND EXECUTE ALL REQUIRED DOCUMENTS.

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

107 HCR02-050 – Final Authorization to Issue Supplemental Multifamily Housing Revenue Bonds to Complete Construction of Hollywood Palms Apartments (Council District 3)

Supervisory Program Manager Wendy DeWitt provided a staff report. Ms. DeWitt noted the City issued a stop-work order due to failure to post a storm water runoff and pollution control plan but construction will resume in two or three days.

Jay Powell confirmed that there are 94 total units onsite (with one designated as a manager's unit), and the project is scheduled for completion in August 2002.

MOTION BY TUMMINIA TO **RECOMMENDATION NO. 1**: AUTHORIZE THE SUBORDINATION OF ITS \$2,200,000 LOAN TO HOLLYWOOD PALMS FOR ADDITIONAL TAX-EXEMPT BONDS DURING CONSTRUCTION IF THE BONDS ARE FULLY SECURED WITH A BANK LETTER OF CREDIT, AND;

RECOMMENDATION NO. 2: TAKE FINAL STEPS TO ISSUE UP TO \$1,500,000 IN SUPPLEMENTAL TAX-EXEMPT MULTIFAMILY HOUSING REVENUE BONDS TO COMPLETE THE CONSTRUCTION OF THE 94-UNIT HOLLYWOOD PALMS APARTMENTS LOCATED AT 4366 HOME AVENUE.

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

108 HCR02-057 – Final Authorization to Issue Multifamily Housing Revenue Bonds for Logan Square Apartments (Council District 4)

Project Manager Jahi Akobundu provided a staff report. In response to a question from Commissioner Salas, Mr. Akobundu replied that the Housing Commission is satisfied with the project's development budget and cost-per-unit figures.

MOTION BY SALAS TO TAKE FINAL STEPS TO ISSUE UP TO \$10,500,000 IN TAX-EXEMPT MULTIFAMILY HOUSING REVENUE BONDS TO LOGAN SQUARE HOUSING PARTNERS, L.P. FOR THE ACQUISITION AND REHABILITATION OF LOGAN SQUARE APARTMENTS, A 170-UNIT PROPERTY LOCATED AT 4742 SOLOLA AVENUE.

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

109 HCR02-047 – Proposed Loan to City Heights Community Development Corporation for Metro Villas Residential Housing Development (Council District 3)

Project Manager Carlos C. de Baca provided a staff report.

CEO Morris stated that this project is an effective partnership between the Housing Commission, the Redevelopment Agency, the Centre City Development Corporation and the community.

There were no questions or concerns of the Board.

MOTION BY TUMMINIA TO FORWARD FOR HOUSING AUTHORITY APPROVAL A 55 YEAR, RESIDUAL RECEIPTS LOAN SECURED BY A SECOND TRUST DEED IN THE AMOUNT OF UP TO \$1,000,000 FOR THE ACQUISITION AND CONSTRUCTION OF THE PROPOSED 120-UNIT METRO VILLAS RESIDENTIAL DEVELOPMENT TO BE LOCATED IN THE 3900 BLOCK OF 39TH STREET AND 40TH STREET IN THE CITY HEIGHTS COMMUNITY.

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

105 HCR02-053 – Extension of Exclusive Negotiating Agreement with Lankford & Associates, Inc. (Citywide)

Asset Management Manger Steve Snyder provided a brief staff report.

Commissioner Salas stated he assumes the developer is performing due diligence in conjunction with the Housing Commission during the negotiations.

Mel Shapiro is opposed to the office building in view of the housing crisis in San Diego. He suggested Housing Authority minutes and reports should be attached to this report, and that the Housing Authority should approve the negotiating agreement extension. He objects to using Housing Trust Funds for this project and to the \$1.7 million developer's fee. Finally, he made a public records request for all documents discussed in Section 3 of the Exclusive Negotiating Agreement.

MOTION BY GRINCHUK TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE UP TO TWO ADDITIONAL 30-DAY EXTENSIONS TO THE EXCLUSIVE NEGOTIATING AGREEMENT WITH LANKFORD & ASSOCIATES, THE DEVELOPER ON THE HOUSING COMMISSION'S PROPOSED OFFICE FACILITY.

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

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):
 - (a) 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

INFORMATION ONLY. THE BOARD TOOK NO ACTION.

- (b) Cruz Gandara and Maria Gandara v. Mary Anne Chacon, Gerald Chacon, City of San Diego, San Diego Housing Commission; and DOES 1 through 10.
San Diego Superior Court Case No. GIC 775291

INFORMATION ONLY. THE BOARD TOOK NO ACTION.

- (c) Yvonne Streater v. San Diego Housing Commission.
San Diego Superior Court Case No. GIC 784503

INFORMATION ONLY. THE BOARD TOOK NO ACTION.

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

Agency Negotiators: Neal Arthur, David Dick, Elizabeth Morris, and Carrol Vaughan, for the San Diego Housing Commission

Negotiated Parties: Centre City Development Corporation and Lankford Associates, Inc.

Under Negotiation: Price and Terms

BOARD GAVE INSTRUCTIONS TO STAFF BY A VOTE OF 5-0 WITH DICK ABSENT.

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

Property: 1625 Newton Avenue, San Diego, CA 92113

Negotiating Parties: Elizabeth Morris, Carrol Vaughan, Steve Snyder for the San Diego Housing Commission; and David Andrews and CB Richard Ellis, Shane Harmon for the prospective purchaser Andrews or related party

Under Negotiation: Terms and Price

BOARD GAVE INSTRUCTIONS TO STAFF BY A VOTE OF 5-0 WITH DICK ABSENT.

III. Public Employee Performance Evaluation, pursuant to Government Code Section 54957(e):

Title: Chief Executive Officer

BOARD GAVE INSTRUCTIONS TO STAFF BY A VOTE OF 5-0 WITH
DICK ABSENT.

ADJOURNMENT

Chair Arthur adjourned the regular meeting at 10:45 a.m.

Respectfully submitted,

Approved by,

Signature on File with Original Document

Bill Luksic
Docket Coordinator

Elizabeth C. Morris
Chief Executive Officer