



MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
NOVEMBER 15, 2002, 9:00 A.M.
CITY ADMINISTRATION BUILDING
SAN DIEGO, CALIFORNIA**

ATTENDANCE

Present: Chair Salas and Commissioners Cramer, Grinchuk, 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 9:12 a.m.

20 PUBLIC COMMENT

None.

30 COMMISSIONER COMMENTS

None.

40 REPORT BY THE CHIEF EXECUTIVE OFFICER

Ms. Morris provided an update on the recent NAHRO conference she attended. She participated on a panel regarding the tri-country housing meeting, and the Housing Commission's Section 8 program was highlighted in another session. The conference emphasized the auditing and internal controls of public housing agencies, and Ms. Morris announced she would chair a working group to help shape NAHRO's position on a new rental housing development program.

The CEO reported that the School District approved the development of an elementary school in the vicinity of the potential Model School, and discussions continue with the community as to whether replacement housing should be built in that neighborhood. Finally, she reminded the Board of a special meeting to be held on November 22, 2002, which will focus on rental housing financing.



50 APPROVAL OF THE MINUTES

MOTION BY TUMMINA TO APPROVE THE MINUTES OF THE OCTOBER 4, 2002, MEETING. SECONDED BY GRINCHUK AND CARRIED ON A UNANIMOUS VOTE OF 6-0 WITH ADAMS-BROOKS ABSENT.

MOTION BY TUMMINA TO APPROVE THE MINUTES OF THE OCTOBER 25, 2002, SPECIAL MEETING. SECONDED BY YIP AND CARRIED ON A UNANIMOUS VOTE OF 4-0 WITH SALAS AND GRINCHUK ABSTAINING AND ADAMS-BROOKS ABSENT.

ACTION AGENDA

100 HCR02-095 – Application for Mortgage Credit Certificate Allocation (Citywide)

Senior Loan Specialist Vicki Monce provided a staff report.

Commissioner Tumminia asked how census tracts are designated “targeted” or “non-targeted”. Ms. Monce responded the Internal Revenue Service establishes the different census tracts, and information regarding these areas is available on the Housing Commission website.

Commissioner Yip received clarification on the Mortgage Credit Certificate program, particularly how single-family bonds authorized by the California Debt Limit Allocation Committee (CDLAC) are converted to tax credits. Commissioner Cramer asked if using the MCCs reduce bonding authority for multifamily rental housing. Housing Finance and Development Manager Jack Farris replied the utilization of single family MCCs does not impact multifamily bonding availability because CDLAC apportions fixed dollar amounts for each type of housing program.

MOTION BY YIP TO SEEK HOUSING AUTHORITY AUTHORIZATION OF AN APPLICATION FOR UP TO \$25 MILLION ALLOCATION IN MORTGAGE CREDIT CERTIFICATES. SECONDED BY TUMMINIA AND CARRIED ON A UNANIMOUS VOTE OF 6-0 WITH ADAMS-BROOKS ABSENT.

101 HCR02-097 – Proposed Revisions to the First-Time Homebuyer Programs (Citywide)

Senior Loan Specialist Vicki Monce provided a staff report.

Commissioner Yip asked how long the program has been administered and how many loans have been paid off. Ms. Monce stated the program began in 1993

and approximately 50 loans have paid off totaling more than \$1 million in equity sharing for the Housing Commission.

In response to questions from Commissioner Cramer, CEO Morris confirmed that no additional money is being budgeted, that larger loans will result in fewer homebuyers, and that any income earned can be used for other housing programs.

MOTION BY GRINCHUK TO REVIEW THE FIRST TIME HOMEBUYER PROGRAM AND RECOMMEND HOUSING AUTHORITY APPROVAL TO: 1) MODIFY THE AMOUNT OF THE SECOND TRUST DEED LOAN FUNDED UNDER THE SHARED EQUITY LOAN PROGRAM FROM \$40,000 TO 25 PERCENT OF THE MAXIMUM PURCHASE PRICE; AND 2) INCREASE THE AMOUNT PROVIDED UNDER THE DOWN PAYMENT PROGRAM TO THE LESSER OF \$7,500 OR FOUR PERCENT OF THE PURCHASE PRICE.

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

102 HCR02-101 – Multifamily Housing Revenue Bonds for Rancho del Norte Apartments (Council District 1)

Financial Specialist Jahi Akobundu provided a staff report.

Mel Shapiro inquired why the proposed new construction would be financed with four percent, instead of nine percent tax credits, and he said it would be useful to know the project's total development cost. Wally Dieckmann, representing Chelsea Investment Corporation, stated the project would not qualify for nine percent financing, and the total development cost is approximately \$15.3 million.

Commissioner Cramer asked if any of Chelsea's prior projects restructured their financing or defaulted for any reason. Mr. Dieckmann responded all projects were completed on schedule and have been converted to permanent financing.

MOTION BY TUMMINIA TO **RECOMMENDATION NO 1:** TAKE INITIAL STEPS TO ISSUE TAX-EXEMPT AND TAXABLE HOUSING REVENUE BONDS TO FINANCE THE NEW CONSTRUCTION BY CHELSEA INVESTMENT CORPORATION OF RANCHO DEL NORTE APARTMENTS; AND **RECOMMENDATION NO. 2:** APPROVE JOE C. LITTEN AS FINANCIAL ADVISOR AND ORRICK, HERRINGTON & SUTCLIFFE AS BOND COUNSEL TO BEGIN WORK ON THE PROJECT.

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

103 HCR02-106 – Budget Development Presentation

Financial Services Manager Ed Mauk and Budget Officer Tim Sturtevant provided information on the annual budget development process. The presentation focused on estimated revenue and expenditure plans, budget approvals that are sought, the routine reconciliation in the fall of each year of estimated to actual carryover of funds, as well as the layout of the Housing Commission's budget document.

The Board took no action or vote.

CLOSED SESSION

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

- I. Conference with Legal Counsel - anticipated (threatened) litigation, pursuant to Government Code Section 54956.9(b)(1) and (b)(3)(D) and 54954.5(c):
 - (a) One Matter – In re the matter of 630 F Street, LLC, vs. San Diego Housing Commission and City of San Diego

INFORMATIONAL ONLY. THE BOARD TOOK NO ACTION.

Commissioner Cramer left the meeting because of a potential conflict of interest.

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.

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

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

Under Negotiation: Price and Terms

DIRECTIONS WERE PROVIDED TO NEGOTIATING PARTIES BY A VOTE OF 5-0 WITH ADAMS-BROOKS AND CRAMER ABSENT.

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

Property: North side of Broadway, between 13th and 14th Streets with a street address of 1320 Broadway, San Diego, CA.

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

Negotiated Parties: Will Griffith, Director of Real Estate Assets for the City of San Diego

Under Negotiation: Price and Terms

DIRECTIONS WERE PROVIDED TO NEGOTIATING PARTIES BY A VOTE OF 5-0 WITH ADAMS-BROOKS AND CRAMER ABSENT.

III. Announcement of Actions Taken in Closed Session.

ADJOURNMENT

Chair Salas adjourned the regular meeting at 12:05 p.m.

Respectfully submitted,

Approved by,

Signature on File with Original Document

Signature on File with Original Document

Bill Luksic
Docket Coordinator

Elizabeth C. Morris
Chief Executive Officer