



MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
MARCH 2, 2001, 9:00 AM
CITY ADMINISTRATION BUILDING
202 C STREET, 12TH FLOOR
SAN DIEGO, CALIFORNIA**

ATTENDANCE

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

10 CALL TO ORDER

Chair Arthur called the meeting to order at 9:07 a.m.

20 PUBLIC COMMENT

Dean Russo-Metevia, a Section 8 resident, discussed a complaint he has relating to rental rates and harassment. Chair Arthur asked staff to look into the matter.

30 COMMISSIONER COMMENTS

Commissioner Steinke attended a Land Use and Housing Committee meeting during which the Centre City Development Corporation gave a very instructive presentation on costs associated with developing housing. He inquired whether a similar briefing could be provided to the Board. Chief Executive Officer Morris will contact the CCDC to request a presentation.

40 REPORT BY THE CHIEF EXECUTIVE OFFICER

Ms. Morris notified the Board that at the most recent Housing Authority meeting council members highlighted the positive work of the Housing Commission and called attention to the high number of affordable units that have been developed. Mayor Murphy suggested the Housing Commission provide an overview of its affordable housing role and its accomplishments over the past two decades. Ms. Morris encouraged the Commissioners to attend the briefing, which will be held during a regular session of the City Council on March 26.

Ms. Morris reported that the comment period for the Consolidated Plan opens on March 5, and the Commissioners will have an opportunity to review the final document at a future Housing Commission meeting. Finally, she informed the Board that the National Association of Local Housing Finance Agencies will hold a conference in San Diego next month.

50 APPROVAL OF THE MINUTES

MOTION BY TUMMINIA TO APPROVE THE MINUTES FROM THE FEBRUARY 9, 2001 HOUSING COMMISSION MEETING. SECONDED BY DICK AND CARRIED ON A VOTE OF 6-0 WITH OXBERRY ABSENT.

ADOPTION AGENDA – CONSENT

MOTION BY DICK TO APPROVE THE FOLLOWING ITEMS ON CONSENT:

100 HCR01-027 – Color Coating of Exterior Surfaces at 4055-4083 Pulitzer Place (Council District 1)

Recommendation: Award a contract in the amount of \$145,700 to Precision Interiors, Inc., for the color coating of exterior surfaces at 4055-4083 Pulitzer Place.

101 HCR01-003 – Appointment of Loan Committee Members (Citywide)

Recommendation: Confirm the nomination of Paul Shipstead, and reappoint Arturo Rivera and Linnie Arcangel, to serve two-year terms.

108 HCR01-031 – Review of the Lead-Based Paint Reduction Pilot Program (Citywide)

Recommendation: Continue implementing the previously approved Pilot Program to fund the costs of lead paint testing and reduction activities, and continue to use certified consultants for lead paint testing.

SECONDED BY STEINKE AND CARRIED ON A VOTE OF 6-0 WITH OXBERRY ABSENT.

ACTION AGENDA

106 HCR01-029 – Coastal Zone Affordable Housing Program – 310, 330, 340 Playa Del Sur Replacement Unit Agreement (Council Districts 1 and 2)

Lee Bates, Senior Program Analyst, provided a brief staff report.

Chair Arthur and Commissioner Dick requested additional information on the replacement units' location, rent affordability restrictions, and the recordation process.

A general discussion took place regarding the existing rents on the replacement units versus rent-restricted figures and how moderate-income restricted rates can be at or above current market rates.

Commissioner Grinchuk asked whether the developer, Playa Del Sur LLC, is responsible for finding housing for the people who are being displaced. Mr. Bates said no code or law requires action on the part of the developer, but Playa Del Sur will provide relocation assistance (in the amount of two times current rent) to any displaced tenants and place them on a preferred waiting list for vacant units.

MOTION BY STEINKE TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A REPLACEMENT UNIT AGREEMENT WITH PLAYA DEL SUR L.L.C. FOR THE PROVISION OF LOW AND MODERATE-INCOME REPLACEMENT UNITS WITH THE PROPOSED DEMOLITION OF PROPERTY LOCATED AT 310, 330, AND 340 PLAYA DEL SUR.

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

102 HCR01-035 – Housing Commission Support for SANDAG's REGION 2020 Smart Growth Strategy (Citywide)

Carolina Gregor, Associate Regional Planner of the San Diego Association of Governments, provided a presentation on SANDAG's Region 2020 Smart Growth Strategy. The strategy promotes the development of a variety of housing types to meet the needs of all San Diegans.

Chair Arthur and Commissioner Tumminia asked if there are any legal ramifications to Housing Commission adoption of SANDAG's Smart Growth resolution. General Counsel Christensen said the strategy and resolution are conceptual documents that give general concurrence to items Ms. Gregor discussed.

Commissioner Dick said he is reluctant to support the resolution when there is no mention of reforming housing construction defect legislation, particularly as it relates to condominium construction. Ms. Gregor said a portion of SANDAG's legislative program is dedicated to the issue of defect litigation, though it isn't explicitly stated in the strategy.

Commissioner Dick asked what is meant by the term "fiscalization of land use." Ms. Gregor replied that since the state government keeps most property tax revenue, local jurisdictions rely more on sales tax received from "big-box" retailers, such as

Home Depot and Super-K, to meet their budgetary needs. Therefore, decisions on land use are based more on economic considerations than on strategies promoting prudent housing growth.

Lastly, Commissioner Dick thinks more coordination is needed among all of the countywide housing agencies, including SANDAG, to develop a more regional focus on housing affordability.

Commissioner Grinchuk noted SANDAG's strategy gives inadequate attention to older, urban neighborhoods and related issues such as density, infrastructure, parking and open space problems. Ms. Gregor stated her agency is aware of these concerns and agrees local jurisdictions should not arbitrarily apply suburban criteria to urban areas.

Commissioner Steinke questioned whether the proposed resolution and strategies are at odds with the City of San Diego's plans for growth. CEO Morris stated SANDAG's efforts are consistent with the City planning and direction in this area.

MOTION BY DICK TO ADOPT A RESOLUTION SUPPORTING THE SAN DIEGO ASSOCIATION OF GOVERNMENTS (SANDAG) REGION 2020 SMART GROWTH STRATEGY. SECONDED BY TUMMINIA AND CARRIED ON A VOTE OF 6-0 WITH OXBERRY ABSENT.

103 HCR01-025 – FY2002 Budget Workshop – Discussion on Use of Unrestricted Funds (Supplemental)

Chief of Staff Carrol Vaughan provided a brief staff report.

Forrest Curro, editor of a newspaper dealing with poverty in San Diego, is against the continued use of funds for people who can afford to purchase homes.

Kathy Greene, representing Housing Options for People in Emergency Situations, is opposed to the report's recommendation that all rental assistance participants be served through the Section 8 voucher program. Ms. Greene stated there are not enough housing providers who accept Section 8 vouchers. Her agency recommends using tenant-based rental assistance monies through the HOME program during the current housing crisis.

Commissioner Dick asked staff to provide information on the difficulties encountered by Section 8 recipients in finding rental housing, and Commissioner Steinke requested clarification on a portion of the attachment dealing with rehabilitation.

Due to time constraints, the Board decided to consider this item as part of the FY02 budget discussion in April. No action was taken on the recommendation.

104 HCR01-032 - Issuance of Multifamily Housing Revenue Bonds for the New Construction of Fox Hollow Apartments (Council District 3)

Jack Farris, Housing Finance and Development Manager, presented a staff report.

Chair Arthur stated he is interested in knowing who will be the non-profit partner in the project, and he stressed the entity must have a substantial role in the development.

Jay Powell, Executive Director of the City Heights Community Development Corporation, commended the Board for encouraging community-based organizations to review non-profit involvement in affordable housing projects. He asked the Board to continue carefully evaluating the partnership aspects of these kinds of development proposals.

Ken Robertson, Board Chairman of the Community Housing Assistance Program (CHAP), described his organization's participation with Fox Hollow developer Alpha III Development, Inc. in this project and in other Alpha III properties.

Commissioners Dick and Steinke raised questions regarding the ownership structure of the project and the lack of information contained in the Developer's Statement for Public Disclosure. Owner Charles Ashley provided additional details relating to the business relationships between the parties. Commissioner Dick requested that these areas of concerns (e.g., who the individuals and entities are in the partnership and their respective roles and responsibilities) be addressed at the next Housing Commission meeting.

MOTION BY DICK TO 1) RECOMMEND THE CITY COUNCIL HOLD A PUBLIC HEARING ("TEFRA" HEARING) AND ADOPT A RESOLUTION APPROVING THE ISSUANCE OF BONDS IN THE APPROXIMATE AMOUNT OF \$7,000,000 FOR THE CONSTRUCTION OF THE 96-UNIT FOX HOLLOW APARTMENTS LOCATED AT 4366 HOME AVENUE, SAN DIEGO, CA 92105; AND 2) APPROVE DAIN RAUSCHER INCORPORATED AS FINANCIAL ADVISOR, STRADLING YOCCA CARLSON & RAUTH AS BOND COUNSEL, AND NEWMAN & ASSOCIATES, INC. AS BOND UNDERWRITER.

SECONDED BY TUMMINIA AND CARRIED ON A VOTE OF 6-0 WITH OXBERRY ABSENT.

NOTE: Due to time constraints, a motion was carried on a vote of 6-0 to continue the following items until the next Housing Commission meeting:

105 HCR01-028 – Discussion of Methods and Standards for Housing Trust Fund Fee Variance Requests (Citywide)

107 HCR01-004 – Revised Equal Employment Opportunity Policy (Citywide)

ADJOURNMENT

The Commission recessed and convened in closed session.

I Conference with Labor Negotiator - pursuant to California Government Code Section 54957.6:

Agency Negotiator: Steve Mikelman and Kadee Gonzalez for
the San Diego Housing Commission

Employee Organization: Social Services Union, Local 535, SEIU,
AFL-CIO

INSTRUCTIONS WERE GIVEN TO THE NEGOTIATOR BY A VOTE OF 6-0 WITH
COMMISSIONER OXBERRY ABSENT.

Chair Arthur adjourned the meeting at 11:15 a.m.

Respectfully submitted,

Bill Luksic
Docket Coordinator

**Signature on File
With Original Document**

Approved by,

Elizabeth C. Morris
Chief Executive Officer