



Good Neighbors

San Diego  
Housing Commission

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# MINUTES

**SAN DIEGO HOUSING COMMISSION  
MINUTES OF THE REGULAR MEETING  
MARCH 23, 2001, 9:00 AM  
CITY ADMINISTRATION BUILDING  
202 C STREET, 12TH FLOOR  
SAN DIEGO, CALIFORNIA**

## **ATTENDANCE**

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

### **10 CALL TO ORDER**

Chair Arthur called the meeting to order at 9:10 a.m.

### **20 PUBLIC COMMENT**

None.

### **30 COMMISSIONER COMMENTS**

None.

### **40 REPORT BY THE CHIEF EXECUTIVE OFFICER**

Chief Executive Officer Morris requested that agenda Item 110, **Vista Terrace and Coronado Terrace Request for Modified Loan Terms**, be removed from the agenda, and she reported on a bus tour given to city council representatives of a few of the Housing Commission's bond-financed developments and public housing projects.

She notified the Commissioners of an upcoming Rules Committee meeting on the Single Room Occupancy (SRO) issue, and she cited a newspaper editorial co-authored with Fred Baranowski of the Downtown Partnership regarding the potential closure and loss of more than 400 downtown SROs. Ms. Morris met also with the General Services Administration in Washington, D.C., and she contacted the White House Office of Intergovernmental Relations and the Office of the Governor to ask

for assistance in preserving the SROs until such a time when replacement-housing plans can be devised.

Ms. Morris attended a legislative conference in Washington, D.C. where sharp cuts were proposed in the federal public housing budget dealing with physical improvement expenditures and the drug elimination program. The budget also contains an unfavorable provision to take \$200 million out of the HOME program to give to States to operate a first-time homebuyer down payment assistance grant. Finally, she notified the Commissioners that full funding is expected for the Section 8 program, and emergency legislation is being considered to address the rise in utility costs.

**50     APPROVAL OF THE MINUTES**

The minutes of the March 2, 2001 meeting will be considered at the next Housing Commission meeting.

**ADOPTION AGENDA – CONSENT**

MOTION BY DICK TO APPROVE THE FOLLOWING ITEMS ON CONSENT:

**106    HCR01-044 – Proposed Policy Revision Regarding the Investment of Pension Plan Assets**

**Recommendation:** That the Housing Commission recommend Housing Authority approval of revisions to PO000.401 regarding the investment of pension plan assets.

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

**Recommendation:** Accept the revised Equal Employment Opportunity Policy and authorize the Chief Executive Officer to promulgate administrative regulations, if necessary, to facilitate policy implementation.

SECONDED BY OXBERRY AND CARRIED ON A VOTE OF 4-0 WITH GRINCHUK, STEINKE AND TUMMINIA ABSENT.

**ACTION AGENDA**

**100    HCR01-041 – Award of Contract for Telecommunications System and Related Services**

Commissioner Robles inquired whether selling components of the old system could offset costs for the proposed new system, and he asked if suitable security guidelines are in place to prevent the misuse of resident information.

Information Systems Manager Alan Perlman responded the existing system is provided on a rental basis, and the equipment would be returned to the vendor. In terms of security, mechanisms are present in all of the Housing Commission's data systems to prevent the illegal and unauthorized use of information.

Commissioner Dick asked about the system's "shelf-life" and whether it could be moved in the event the Housing Commission relocates to another facility. Mr. Perlman said the expected, usable life is 10 years, but upgrades would be installed on a continuing basis. Finally, the system has built-in mobility features and minimal relocations costs would be required.

Chief Executive Officer Morris noted the new system will provide greater accuracy in directing calls and more flexibility in obtaining desired information.

**MOTION BY OXBERRY TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A CONTRACT WITH EXPANETS FOR THE LEASE AND MAINTENANCE OF A TELECOMMUNICATIONS SYSTEM AND RELATED SERVICES, FOR A PERIOD OF FIVE YEARS AT A TOTAL LEASE COST OF \$443,500.**

**SECONDED BY ROBLES AND CARRIED ON A VOTE OF 4-0 WITH GRINCHUK, STEINKE AND TUMMINIA ABSENT.**

**101 HCR01-040 – City of San Diego's FY2001-2005 Consolidated Plan (Citywide)**

Chief of Staff Carrol Vaughan provided a staff report. She was joined by Program Analyst Ann Kern and by Ernie Linares of the City of San Diego's Economic Development and Community Services office.

Mel Shapiro asked why the Board would vote on the Plan before the end of the public comment period, and he commented that the Housing Commission's stated priority of providing assistance to the lowest-income renters contradicts with actual numbers included in the Plan.

Commissioner Dick, referring to the chart on page 4-62 of the Consolidated Plan, asked for an explanation of the number of renters and homeowners assisted during the five-year period ending fiscal year 2000. CEO Morris and Chief of Staff Vaughan responded the chart represents incremental changes in assistance from year to year and agreed with Commissioner Dick the HUD-mandated form is confusing and not well designed.

Commissioner Dick commented that the Housing Commission does not have complete discretion in the way it apportions federal funding and grant monies due to financial constraints and other priorities. CEO Morris added that the figures in the

Plan reflect the City and the Housing Commission's attempts to leverage its dollars to the greatest extent possible.

Chair Arthur requested staff provide a simplified version of the HUD chart to show how many people are served each year, and Commissioner Dick suggested the Board not act on this item until the public comment period is closed.

MOTION BY DICK AND SECONDED BY OXBERRY TO CONTINUE THIS ITEM UNTIL A SPECIAL MEETING OF THE HOUSING COMMISSION ON APRIL 6, 2001.

**102 HCR01-037 – Annual Agency Plan (Citywide)**

Carrol Vaughan provided a staff report.

A discussion was held concerning the new community service program required by HUD, and Commissioners Dick and Oxberry asked about certain figures appearing in the report relating to families in need and to the Section 8 waiting list. Commissioner Dick said the information appearing on page nine of the Annual Plan regarding the waiting list appears to be inconsistent with the housing needs of San Diego's lowest-income residents.

CEO Morris and Ms. Vaughan explained the differences in this particular case are indicative of the way the Section 8 program is marketed, the types of households targeted, and HUD's previous rule that individuals in the low-income category (more than 50 percent but less than 80 percent of Area Median Income) were not eligible for housing vouchers.

With respect to the Public Housing Drug Elimination Program, Commissioner Robles asked whether adults had access to drug counseling resources and if urinalysis was routinely administered. Director of Housing Programs Pat Duplechan replied adults may take part in drug-related prevention programs and services, and urinalysis is not performed. Ms. Vaughan stated the Housing Commission has a zero-tolerance drug policy, and an applicant's criminal history is determined before the tenant is admitted to public housing.

MOTION BY OXBERRY TO FORWARD THE ANNUAL AGENCY PLAN TO THE HOUSING AUTHORITY FOR APPROVAL AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO TRANSMIT THE PLAN TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

SECONDED BY DICK AND APPROVED ON A VOTE OF 4-0 WITH GRINCHUK, STEINKE AND TUMMINIA ABSENT.

**103 HCR01-038 – Authority to Develop Administrative Regulations (Citywide)**

Ms. Vaughan gave a staff report, and General Counsel Christensen provided an overview of state and city law delegating administrative and executive authority.

Commissioners Dick and Oxberry raised issues regarding which administrative regulations should be delegated from the Housing Commission to the CEO, and Chair Arthur recommended that this item be returned to the Board at a later date.

MOTION BY DICK AND SECONDED BY ROBLES TO CONTINUE THIS ITEM UNTIL THE NEXT SCHEDULED MEETING.

**104 HCR01-036 – Revised Utility Allowances for Public Housing Units (Citywide)**

Chair Arthur asked how the Housing Commission's ability to maintain services is affected by the increase in utility rates. Ms. Duplechan replied the revised utility allowances and additional federal allocations will help, but they will not completely subsidize the increased energy rates.

CEO Morris added some interim financing is available to help offset the higher rates, but the Housing Commission's operating budget is ultimately affected since HUD payments are calculated in arrears and are based on last year's costs.

MOTION BY DICK TO APPROVE THE REVISED UTILITY ALLOWANCE SCHEDULE FOR PUBLIC HOUSING RESIDENTS AS MANDATED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

SECONDED BY OXBERRY AND CARRIED ON A VOTE OF 4-0 WITH GRINCHUK, STEINKE AND TUMMINIA ABSENT.

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

A staff report was presented by Housing Finance and Development Manager Jack Farris.

Commissioner Oxberry recommended the Board closely examine the non-profit status of future applicants, especially those in the housing production sector, since some types of charitable organizations are clearly able to pay the processing fee.

MOTION BY DICK TO MAINTAIN CURRENT METHODS AND STANDARDS FOR REVIEW AND APPROVAL OF VARIANCE REQUESTS, EXCEPT THAT THE HOUSING COMMISSION CHARGE \$500 FOR PROCESSING ANY REQUEST

THAT RESULTS IN A VARIANCE OR A REDUCTION IN THE HOUSING TRUST FUND LINKAGE FEE.

SECONDED BY OXBERRY AND CARRIED ON A VOTE OF 4-0 WITH GRINCHUK, STEINKE AND TUMMINIA ABSENT.

**108 HCR01-045 – Fiscal Year 2000 Audit Reports**

Director of Operations Steve Mikelman identified the major highlights of the fiscal year 2000 audit in response to a request from Commissioner Dick.

Mr. Mikelman noted this year's audit 1) was prepared in accordance with "GAAP" principles compared to past HUD-prescribed methodologies; 2) confirmed that management is provided with accurate financial information throughout the year; 3) attested the Housing Commission is in compliance with regulations relating to internal controls; 4) confirmed all financial transactions were reported fully and fairly, and; 5) verified there are no past or current financial issues that need to be resolved or addressed.

Commissioner Dick congratulated staff on the results of the audit.

MOTION BY OXBERRY TO ACCEPT THE FISCAL YEAR 2000 AUDIT REPORTS OF THE HOUSING COMMISSION AND VARIOUS PROJECTS AS PREPARED BY THE ACCOUNTING FIRM OF CALDERON, JAHAM & OSBORN.

SECONDED BY ARTHUR AND APPROVED ON A VOTE OF 4-0 WITH GRINCHUK, STEINKE AND TUMMINIA ABSENT.

**109 HCR01-043 – Provision of First Time Homebuyer Opportunities at the Summit Crest Apartments Located at 4328-4490 Mayberry Street (Council District 4)**

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

Chair Arthur asked what opportunities will exist for the current tenants who cannot afford to or do not want to purchase the newly created condominiums, and he inquired about the existing Housing Commission loan of \$670,000. Mr. Farris replied the purchaser will provide rental units at other housing sites, and the obligation will convert to shared equity loans that are due upon resale of the individual homes.

Chair Arthur suggested a trend might be developing among contractors to change existing low-income units to purchasable properties, and he is concerned for-profit developers will be asking the Housing Commission to subsidize some of the cost.

Commissioner Oxberry asked for and received information relating to how the project has been financed the last two years, the ownership and management composition of the deal, and alternative plans in the event the project is denied.

Mel Shapiro, Forrest Curo and Anne Curo voiced opposition to the project on the grounds this action would reduce the supply of low-income housing stock, the proposed monthly mortgage payment is not affordable, the availability and costs of rental units for tenants displaced by the conversion is uncertain, and housing assistance for individuals in the very-low income category is inadequate.

DUE TO TIME CONSTRAINTS, A MOTION WAS CARRIED ON A VOTE OF 4-0 TO CONTINUE THIS ITEM UNTIL A SPECIAL MEETING OF THE HOUSING COMMISSION ON APRIL 6, 2001.

## **ADJOURNMENT**

The Commission recessed and did not convene in closed session.

Chair Arthur adjourned the meeting at 12:20 p.m.

Respectfully submitted,

Bill Luksic  
Docket Coordinator

**Signature on File  
With Original Document**

Approved by,

Elizabeth C. Morris  
Chief Executive Officer