



Good Neighbors

San Diego
Housing Commission

- 1625 Newton Avenue
- San Diego, California 92113-1038
- 619/231 9400
- FAX: 619/544 9193

MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
JUNE 1, 2001, 9:00 AM
CITY ADMINISTRATION BUILDING
202 C STREET, 12TH FLOOR
SAN DIEGO, CALIFORNIA**

ATTENDANCE

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

10 CALL TO ORDER

Chair Arthur called the meeting to order at 9:05 a.m.

20 PUBLIC COMMENT

30 COMMISSIONER COMMENTS

None.

40 REPORT BY THE CHIEF EXECUTIVE OFFICER

Ms. Morris reported the Housing Authority approved the fiscal year 2002 Housing Commission budget, including recommendations providing assistance to disabled renter households and funds for security deposits and moving expenses.

She discussed a major initiative being undertaken by the Housing Commission to increase lease-up for Section 8 voucher holders and to raise the awareness among apartment owners to participate in the rental assistance program. An interdisciplinary, solution-oriented team that is examining ways to streamline the Section 8 process anchors the initiative. One improvement anticipated with the installation of new software would allow for direct deposit of rent payments.

Ms. Morris noted the Housing Authority approved the Market Square Manor project, a 200-unit downtown senior center, but modified the terms of the project from a revocable grant to a deferred payment loan. The change reflects the Housing

Authority's interest in keeping control of the property when the loan expires and a long-term view in considering affordable housing projects.

Finally, Ms. Morris congratulated Cissy Fisher of the Housing Commission for being recognized by the YWCA as a recipient of a Tribute to Women in Industry award, and she requested that Item 108, *Final Authorization to Issue Multifamily Housing Revenue Bonds for Torrey Highlands Apartments*, be removed from the agenda and returned to staff for further review.

50 APPROVAL OF THE MINUTES

MOTION BY GRINCHUK TO APPROVE THE MINUTES OF THE MAY 11, 2001 MEETING. SECONDED BY TUMMINIA AND CARRIED ON A 4-0 VOTE WITH DICK AND OXBERRY ABSENT. COMMISSIONER STEINKE ABSTAINED SINCE HE WAS NOT PRESENT AT THE MAY 11 MEETING.

CONSENT AGENDA

MOTION BY GRINCHUK TO APPROVE THE FOLLOWING ITEMS ON CONSENT:

107 HCR01-069 – Issuance of Multifamily Housing Revenue Bonds for Acquisition and Rehabilitation of Harbor View Villas (Council District 4)

Recommendation: That the Housing Authority take initial steps towards issuance of taxable and tax-exempt revenue bonds for acquisition and rehabilitation by Avalon Communities of the 60-unit Harbor View Villas located at 404 North 47th Street.

109 HCR01-064 – Renewal of Employee Group Benefits Plans

Recommendation: Provide group benefits for employees represented by the union and nonrepresented employees for FY02, FY03 and FY04 based on employee input and negotiated agreement, and delegate to the Chief Executive Officer the authority to enter into subsequent group benefit plan contract agreements.

110 HCR01-071 – FY02 Employee Compensation, Benefits and Policies

Recommendation: Approve and forward for Housing Authority adoption the union-negotiated Memorandum of Understanding for represented employees, and extend salary and benefit changes to non-represented and management employees.

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

ACTION AGENDA

100 HCR01-052 – Proposed Revisions to the First-Time Homebuyer Program (Citywide)

Director Steve Mikelman provided a staff report.

Chair Arthur remarked the increase in the Shared Equity Loan Program from \$25,000 to \$40,000 is in direct response to the prevailing market conditions, and he asked what impact the change will have on the First Time Home Buyer program (FTHB). Mr. Mikelman responded the increase would potentially result in serving fewer individuals, but it is needed to keep pace with the higher cost of home prices.

Senior Loan Specialist Vicki Monce reviewed survey results of participating primary lenders, and she noted that there is a small pool of affordable homes available for sale even when considering assistance provided by the FTHB programs.

MOTION BY STEINKE TO RECOMMEND HOUSING AUTHORITY APPROVAL TO INCREASE THE AMOUNT PROVIDED UNDER THE DOWNPAYMENT ASSISTANCE GRANT PROGRAM TO THE LESSER OF \$5,000 OR FOUR PERCENT OF THE SALES PRICE AND INCREASE THE AMOUNT OF THE SECOND TRUST DEED LOAN FUNDED UNDER THE SHARED EQUITY LOAN PROGRAM TO \$40,000 OR 25 PERCENT OF THE SALES PRICE, WHICHEVER IS LESS. DIRECTION WAS ALSO GIVEN TO REVIEW THE PERFORMANCE OF THE FIRST-TIME HOMEBUYER PROGRAM IN ONE YEAR.

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

101 HCR01-065 – Rehabilitation Loan at 4802 Felton Street (Council District 3)

Steve Mikelman and Vicki Monce provided a staff report.

Chair Arthur asked why the rehabilitation loan is being offered in this particular instance, and who will own the home once payments are made. Mr. Mikelman responded the loan is being made in the interest of promoting stable neighborhoods, and the applicant will own the property when the note is fully paid. He added applications for rehabilitation loans are taken on a first-come, first-served basis, but that they all must meet lending criteria.

Commissioner Grinchuk and Chair Arthur expressed concern over the loan amount (\$66,000) and the process involved in selecting the contractor to rebuild the house. Consideration of this item was then delayed until staff responded later in the meeting to inquiries regarding funds that remain in the fiscal year 2001 rehabilitation account.

MOTION BY TUMMINIA TO: 1) APPROVE THE LOAN COMMITTEE'S RECOMMENDATION TO PROVIDE A REHABILITATION LOAN OF \$66,000 TO COMPLETE THE DEMOLITION AND RECONSTRUCTION OF A SINGLE FAMILY DWELLING AT 4802 FELTON STREET, AND; 2) PROVIDE AN EXCEPTION TO OWNER-OCCUPIED HOUSING REHABILITATION PROGRAM GUIDELINES THAT LIMITS ELIGIBILITY TO HOMES WITH AN AFTER-REHABILITATION VALUE OF 110 PERCENT OF MEDIAN SINGLE FAMILY HOME VALUES IN SAN DIEGO (CURRENTLY \$263,175).

SECONDED BY STEINKE AND CARRIED ON A VOTE OF 4-1 WITH ARTHUR OPPOSED. DICK AND OXBERRY WERE NOT PRESENT.

103 HCR01-067 – Amendment to the Revocable Grant to TACHS Property Development for Reese Village (Council District 7)

Commissioner Steinke asked how many times additional financial assistance has been provided to the developer, and he requested an explanation of the revocable nature of the grant.

Senior Program Analyst Dan Cady replied this is the second request from TACHS for additional monies, and Ms. Morris explained the financial exigencies are due in part to HUD's involvement as a Section 811 Supportive Housing Program contributor.

Kim Russell-Shaw, Executive Director of TACHS Property Development, and Charles Davis of Urban-West Development, gave an overview of the project's financial and construction history in response to questions from Commissioners Grinchuk and Tumminia.

A discussion followed relating to the apparent large difference in the appraised value of the property versus the total development cost. Manager Jack Farris stated appraisers value properties with restricted rents differently – and lower – than developments containing only market rate rents. Ms. Morris added that Reese Village fulfills an ongoing need in the community for supportive housing, is well-leveraged by significant HUD funds, and the Housing Commission's cost per unit is at an appropriate level.

MOTION BY TUMMINIA TO APPROVE AND FORWARD FOR HOUSING AUTHORITY APPROVAL AN INCREASE OF \$100,000 TO A REVOCABLE GRANT TO TACHS PROPERTY DEVELOPMENT FOR THE DEMOLITION AND REPLACEMENT OF A BUILDING DETERMINED TO BE STRUCTURALLY UNSOUND.

SECONDED BY ROBLES AND CARRIED ON A VOTE OF 4-1 WITH STEINKE OPPOSED. DICK AND OXBERRY WERE NOT PRESENT.

104 HCR01-062 – Approval of Development Loan for Grant Heights Park Apartments (Council District 8)

Senior Program Analyst Mary Manaster provided a staff report. In response to a question from Chair Arthur, Ms. Manaster discussed the Urban Housing Corporation's efforts in lowering the per unit total development cost to approximately \$85,000 by decreasing the developer's fees, renegotiating a more favorable interest rate, and reducing up-front rehabilitation costs.

MOTION BY GRINCHUK TO APPROVE A LOAN OF UP TO \$867,279 TOWARDS URBAN HOUSING CORPORATION'S PURCHASE AND REHABILITATION OF THE 28-UNIT GRANT HEIGHTS PARK APARTMENTS. SECONDED BY TUMMINIA AND CARRIED ON A VOTE OF 5-0 WITH DICK AND OXBERRY ABSENT.

105 HCR01-066 – Proposed Loan to Mayberry LP for New Construction of the Casa Puleta Apartments (Council District 4)

Financial Specialist Joe Correia presented a staff report.

Richard Crane, representing the developer, described the process involved in obtaining tax credits for the project and discussed cost overruns resulting from the purchase of an adjacent parcel, the presence of an underground debris field, and the high cost of construction in the region.

MOTION BY TUMMINIA TO SEEK HOUSING AUTHORITY APPROVAL OF A LOAN OF UP TO \$1,000,000 TO NHPAHP MAYBERRY LP FOR NEW CONSTRUCTION OF THE CASA PULETA APARTMENTS, A 54-UNIT COMPLEX LOCATED AT 1445 SOUTH 45TH STREET. SECONDED BY GRINCHUK AND CARRIED ON A VOTE OF 5-0 WITH DICK AND OXBERRY ABSENT.

ADJOURNMENT

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) In re: the Matter of the EEOC Claim, No. 345A10430

INFORMATIONAL ONLY. NO ACTION WAS TAKEN.

- II. 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

INFORMATIONAL ONLY. NO ACTION WAS TAKEN.

Chair Arthur adjourned the meeting at 11:48 a.m.

Respectfully submitted,

Bill Luksic
Docket Coordinator

**Signature on File
With Original Document**

Approved by,

Elizabeth C. Morris
Chief Executive Officer