



Good Neighbors

San Diego
Housing Commission

MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
AUGUST 17, 2001, 9:00 AM
CITY ADMINISTRATION BUILDING
202 C STREET, 12TH FLOOR
SAN DIEGO, CALIFORNIA**

ATTENDANCE

Present: Chair Arthur and Commissioners Grinchuk, Robles, Salas, Steinke, 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 9:10 a.m.

20 SWEARING-IN OF COMMISSIONER SAL SALAS

Assistant City Clerk Jack Fishkin administered the oath of office to Sal Salas. Commissioner Salas has 30 years of experience in real estate and construction financing, and he is a former member and president of the San Diego Food Bank.

30 PUBLIC COMMENT

None.

40 COMMISSIONER COMMENTS

None.

50 REPORT BY THE CHIEF EXECUTIVE OFFICER

Ms. Morris announced that Ed Mauk joined the Housing Commission as Manager of the Financial Services Department, and she informed the Board that Financial Management Manager Tim Sturtevant is recovering from a heart attack. She noted there is a 100 percent increase in the rate of leasing-up families, and a more detailed assessment of the Section 8 effort will be provided in September.



Finally, videotapes were shown of the Housing Federation of San Diego awards ceremony – where the Stepping Stone development was named “Project of the Year” – and of a Channel 6 Fox news report on Sea Breeze Farms, the first inclusionary housing complex in San Diego. Commissioner Steinke asked if there was architectural review of projects developed within the City of San Diego. CEO Morris remarked the Housing Commission, community-planning groups, and funding agencies participate to a degree in reviewing architectural plans along with the City staff. Mr. Steinke recommended future Board reports contain some information that describes the nature of the building design.

60 APPROVAL OF THE MINUTES

MOTION BY STEINKE TO APPROVE THE MINUTES OF THE JULY 20, 2001 REGULAR AND SPECIAL MEETINGS. SECONDED BY TUMMINIA AND CARRIED ON A UNANIMOUS VOTE OF 3-0 WITH DICK ABSENT. COMMISSIONERS GRINCHUK, ROBLES AND SALAS ABSTAINED BECAUSE THEY WERE NOT PRESENT AT THE JULY MEETING.

CONSENT AGENDA

MOTION BY STEINKE TO APPROVE THE FOLLOWING ITEMS ON CONSENT:

102 HCR01-091 – Public Housing Assessment System for FY01 (Citywide)

Recommendation: Authorize submission of the Public Housing Assessment System Indicator #3 – Management Operations Certification – to the U.S. Department of Housing and Urban Development.

104 HCR01-092 – Section 8 Project-Based Rental Assistance Program (Citywide)

Recommendation: Approve implementation of a Section 8 Project-Based Rental Assistance Program and authorize the Chief Executive Officer to enter into Housing Assistance Payment contracts with participating property owners, selected according to the process and criteria outlined in the report.

105 HCR01-096 – Amendment to the Temporary Employment Services Contract With IUA/Works Staffing

Recommendation: Forward for Housing Authority approval an increase in the maximum compensation included in the IUA/Works Staffing contract by

\$500,000, to address the Section 8 lease-up push, and authorize the Chief Executive Officer to negotiate modified bill rates.

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

ACTION AGENDA

100 HCR01-095 – Housing Action Network (Citywide)

Erik Bruvold, of the San Diego Regional Economic Development Corporation, provided a presentation on the Housing Action Network (HAN), a broad range of organizations that share the common goal of assuring an adequate supply of affordable housing in San Diego County.

Chair Arthur asked how the HAN would accomplish its objectives without adding layers of bureaucracy. Mr. Bruvold responded that the Network represents community groups, environmental interests, and businesses, and its goal is to educate the public at large and advocate for projects that meet the region's housing needs.

Commissioner Tumminia inquired if the Housing Commission was being asked to join the Network, and what obligations it would have as a member. Mr. Bruvold did not recommend a formal membership for the Housing Commission; instead, he suggested the Board might prefer to lend support in a more extrinsic manner. Commissioner Grinchuk said he was not in favor of the HAN because he believed it would eventually become a quasi-governmental organization and create more barriers to development.

Commissioner Robles asked if HAN's evaluation criteria are different than those of other groups and how the Network's endorsement would be sought. Mr. Bruvold indicated that the Network expects developers to seek its endorsement since the HAN's membership roll would consist of a wide range of organizations and interests. CEO Morris remarked an opportunity exists to increase the number of voices that can be heard in discussions on affordable housing, and she noted the Network's goals are commendable and deserve consideration.

Mel Shapiro supported the overall goals of the Housing Action Network, and he proposed changes to some of the criteria used by HAN to evaluate new housing projects.

This presentation was informational only and the Board took no action or vote.

101 HCR01-080 – Section 8 Management Assessment Program (Citywide)

Chief of Staff Carrol Vaughan provided a staff report. She noted the Section 8 Management Assessment Program (SEMAP) is the first official report required by the U.S. Department of Housing and Urban Development to measure an agency's performance in key Section 8 program areas.

Commissioner Steinke asked how the Housing Commission's overall SEMAP score as a Standard Performer compares to the ratings of other housing authorities. Ms. Vaughan responded most housing authorities are in the standard category primarily because this is a new process and the performance indicators have changed from year to year.

In response to a question from Mel Shapiro, Ms. Vaughan stated she expects that HUD will verify the Housing Commission's Section 8 performance by conducting an on-site audit in the next 12 months.

MOTION BY STEINKE TO APPROVE SUBMISSION OF THE FY 2001 SECTION 8 MANAGEMENT ASSESSMENT PROGRAM CERTIFICATION AND ACCOMPANYING RESOLUTION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT. SECONDED BY TUMMINIA AND CARRIED ON A UNANIMOUS VOTE OF 6-0 WITH DICK ABSENT.

103 HCR01-074 – Preservation of Housing for Persons With Mental Illness (Council District 3)

Before the staff report, Commissioner Steinke expressed concern that money from the Housing Trust Fund (HTF) was being used for operational purposes. Cissy Fisher, of the Housing Finance and Development Department, reported that the Housing Commission is required by ordinance to spend at least 10 percent of HTF funds on transitional housing expenses. Mr. Steinke asked if part of the requested reimbursement to pay for rent (\$35,100) was high relative to amounts given to other recipients in similar circumstances. CEO Morris replied the amount covers the 20-bed facility for two years and is low compared to other projects.

Manager Jack Farris introduced Senior Program Analyst Mary Manaster, who provided a staff report. Ms. Manaster indicated the Housing Commission's long-term objective is to preserve the Conditional Use Permit so that the facility can continue to serve special needs clients. The Chief Executive Officer added it was premature to undertake any discussion on the proposed HUD Section 811 application or option to purchase the property, and it would be more appropriate for the Board to consider approval of the recommendation dealing with

reimbursement to Episcopal Community Services (ECS) for leasing and predevelopment costs.

Commissioner Grinchuk requested an explanation of why information was not provided to the Uptown Planning Group concerning the Housing Commission's plans to purchase the building and rebuild the property. Mr. Farris replied that certain feasibility studies and development details were not available at the time of the community meeting, and Ms. Morris noted the project's development direction had undergone major changes in the past few weeks.

Commissioner Steinke asked if there was a termination date to the Conditional Use Permit (CUP) or if it expired if activity on the site discontinued for a certain length of time. Staff stated the use of the CUP would disappear if the private owner of the property decided not to lease or rent to ECS, and it could be terminated if the building were to fall below habitability standards.

On the matter of reimbursing ECS for \$17,300 in predevelopment costs, Ms. Morris believes the appraisal, the Phase 1 environmental study, and the engineering study were useful in making the final decision that long-term interests are better served in rebuilding the site rather than rehabilitating the property.

MOTION BY SALAS TO REIMBURSE EPISCOPAL COMMUNITY SERVICES UP TO \$52,400 FOR PREDEVELOPMENT AND LEASING COSTS OF THE PROPERTY. (THE FOLLOWING RECOMMENDATIONS WERE NOT CONSIDERED OR VOTED UPON: 1) AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO APPLY FOR SECTION 811 FUNDING FROM HUD TO REBUILD A 20-BED GROUP HOME AT 2822 FIFTH AVENUE, AND; 2) ACCEPTING ASSIGNMENT OF AN OPTION TO PURCHASE THE PROPERTY.)

SECONDED BY ROBLES AND CARRIED ON A UNANIMOUS VOTE OF 6-0 WITH DICK 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) San Diego Housing Commission, a public agency; and Housing Authority of the City of San Diego, a public agency vs. Industrial Indemnity Company of the Northwest; a Washington Corporation; Industrial Indemnity, an unknown entity; Crum & Forster Corporation, a New Jersey

Corporation; Crum & Forster Insurance Risk Management Accounts, an unknown entity; and Does 1 through 10.
San Diego Superior Court Case No. 680684
Court of Appeal Case Nos. D027060 and D035239

INFORMATION ONLY.

- b) San Diego Housing Commission vs. SGD Enterprises, Inc., dba Four Seasons Landscaping; American Contractors Indemnity Company, a California Corporation; Does 1 through 10
San Diego Superior Court Case No. 769766

A COPY OF THE EXECUTED AGREEMENT IS ON FILE IN THE OFFICE OF THE SAN DIEGO HOUSING COMMISSION.

- c) San Diego Housing Commission, a public agency; and Housing Authority of the City of San Diego, a public agency vs. WEYERHAEUSER COMPANY, a Washington Corporation; ROMAN E.C.D., INC., a California Corporation; VIGILANT INSURANCE COMPANY, a New Jersey Corporation; and DOES 1 through 50.
San Diego Superior Court Case No. GIC755508

INFORMATION ONLY. COMMISSIONER STEINKE DID NOT PARTICIPATE IN THE DISCUSSION. A COPY OF HIS WRITTEN NOTICE OF DISCLOSURE IS ON FILE IN THE OFFICE OF THE SAN DIEGO HOUSING COMMISSION.

- d) In re: the Matter of the DFEH Claim, No. E200001-D-1025-00-pe.

DIRECTION WAS GIVEN TO COUNSEL BY A VOTE OF 6-0 WITH DICK ABSENT.

- e) In re: the Matter of the DFEH Claim No. E200102D0078-00-arsc.

DIRECTION WAS GIVEN TO COUNSEL BY A VOTE OF 6-0 WITH DICK ABSENT.

- II Conference with Legal Counsel - anticipated litigation, pursuant to Government Code Section 54956.9(c) and 54954.5(c):

- a) One matter re: Threatened DFEH Claim and Litigation

DIRECTION WAS GIVEN TO COUNSEL BY A VOTE OF 6-0 WITH DICK ABSENT.

Chair Arthur adjourned the meeting at 11:35 a.m.

Respectfully submitted,

Bill Luksic
Docket Coordinator

**Signature on File
With Original Document**

Approved by,

Elizabeth C. Morris
Chief Executive Officer