



Good Neighbors

San Diego  
Housing Commission

# MINUTES

**SAN DIEGO HOUSING COMMISSION  
MINUTES OF THE REGULAR MEETING  
SEPTEMBER 21, 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 9:15 a.m. A moment of silence was observed for the victims of terrorism in New York and Washington, D.C.

### **20 PUBLIC COMMENT**

Mel Shapiro raised several questions concerning the reduction in the actual number of families on the Section 8 waiting list.

### **30 COMMISSIONER COMMENTS**

Commissioner Grinchuk requested a status report on Single Room Occupancy units in San Diego and on the E-Hotel, in particular, and Commissioner Steinke requested information concerning Mr. Shapiro's comments. With regard to the Section 8 issue, Ms. Morris noted that the Housing Commission is pulling names from the waiting list on an accelerating basis, and, even now, 2,000 voucher holders are looking for housing.

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

Ms. Morris invited the Commissioners to participate in a proposed joint meeting with the Planning Commission on October 18 to discuss inclusionary housing and other important issues. She reported that the Housing Commission received a \$375,000 grant to administer the Welfare-to-Work ICAN program, and she notified the Board of an upcoming homebuyer fair in Council District 3 sponsored



by the Pan-Asian Committee. Lastly, the CEO remarked that five development proposals received tax credit allocations from the State: two family-oriented complexes in the Nestor area; Market Square Manor in downtown San Diego; the Harvey Mandel (formerly Emporium Apartments) development near St. Vincent de Paul; and Urban Housing Corporation's acquisition/preservation proposal in Grant Heights.

**50 APPROVAL OF THE MINUTES**

MOTION BY TUMMINIA TO APPROVE THE MINUTES OF THE AUGUST 17, 2001 REGULAR MEETING. SECONDED BY STEINIKE AND CARRIED ON A UNANIMOUS VOTE OF 6-0 WITH DICK ABSENT.

MOTION BY TUMMINIA TO APPROVE THE MINUTES OF THE SEPTEMBER 4, 2001 SPECIAL MEETING. SECONDED BY GRINCHUK AND CARRIED ON A VOTE OF 4-0 WITH DICK ABSENT AND COMMISSIONERS ROBLES AND STEINKE ABSTAINING.

**CONSENT AGENDA**

MOTION BY STEINKE TO APPROVE THE FOLLOWING ITEMS ON CONSENT:

**100 HCR01-100 – Two Appointments to the Board of Directors of Housing Development Partners of San Diego (Citywide)**

**Recommendation:** Appoint Robert Henderson and John Pedroarena to serve on the Board of Directors of Housing Development Partners of San Diego.

**104 HCR01-102 – Master Agreement with Southeastern Economic Development Corporation for Administration of Housing Programs (Council Districts 4 and 8)**

**Recommendation #1:** Forward for Housing Authority approval a Master Agreement with the Southeastern Economic Development Corporation for the administration of Housing Rehabilitation and First Time Homebuyer programs in targeted redevelopment areas.

**Recommendation #2:** Rescind Policy PO600.204, Redevelopment Area Rehabilitation for Mount Hope and Southcrest Redevelopment Areas, and administer the programs on behalf of the Southeastern Economic Development Corporation.

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

## **ACTION AGENDA**

### **101 HCR01-103 – San Diego Housing Commission Strategic Plan (Citywide)**

Chief Executive Officer Morris provided a brief report. The Strategic Plan serves as a guide to ensure that new programs focus on the goals identified and approved by the Board, and it will be reviewed annually as part of the budget process.

MOTION BY TUMMINIA TO APPROVE AND FORWARD FOR HOUSING AUTHORITY APPROVAL THE FY 2002-2004 STRATEGIC PLAN. SECONDED BY GRINCHUK AND CARRIED ON A UNANIMOUS VOTE OF 6-0 WITH DICK ABSENT.

### **102 HCR01-104 – Sale of 252 16<sup>th</sup> Street (Council District 8)**

Director of Operations Steve Mikelman and Vicki Monce provided a staff report.

In response to a question from Chair Arthur, Mr. Mikelman suggested the property – acquired by the Housing Commission in 1986 for development of a SRO – is not suitable for housing since a liquor store and MTA maintenance facility are nearby. The site currently is used as a parking lot for tenants of Pacific Villas, a 100-unit apartment complex owned by William Ayyad. As a condition of the sale of 252 16<sup>th</sup> Street, Mr. Ayyad would restrict 20 units of Pacific Villas, slated for condominium conversion, to families earning 65 to 80 percent of median area income.

Commissioner Steinke received clarification of Mr. Ayyad's former membership on the San Diego Housing Commission's Loan Committee and the status of his counter-offer to purchase the property. Sale of the lot would result in a net gain to the Commission of \$80,000.

Commissioner Salas asked how the proposed sale and affordable housing restriction compares to inclusionary zone requirements. CEO Morris and Mr. Mikelman explained some restrictions are placed on developments in the Future Urbanizing Area (20 percent of housing affordable at 65 percent of Median Area Income). General Counsel Christensen gave a brief background on the genesis of Pacific Villas and the Housing Commission's obligations to Mr. Ayyad if the lease was terminated at 252 16<sup>th</sup> Street.

A general discussion ensued with respect to the present and future value of the property, especially in light of its nearness to the proposed new ballpark. The Commissioners considered the highest and best use of the property, the potential of hazardous materials that might be present from the nearby MTA facility,

community and parking concerns, and potential ancillary use of the site. Rebecca Ayyad, representing the purchaser, said the site would remain a parking lot, and the Pacific Villas Homeowners Association would own the property when the apartments are converted to condominiums.

Mel Shapiro voiced concern about the potential loss of rental housing if this item was approved. Ms. Ayyad remarked the current tenants will be given 180 days written notice, right of first refusal, and favorable opportunities to purchase the units including a lower than market sales price, silent second loans and access to other first-time homebuyer tools.

MOTION BY SALAS TO FORWARD FOR HOUSING AUTHORITY AUTHORIZATION THE ACCEPTANCE OF AN OFFER BY WILLIAM G. AYYAD TO PURCHASE THE VACANT LOT LOCATED AT 252 16<sup>TH</sup> STREET. SECONDED BY TUMMINIA AND TABLED ON A VOTE OF 3-3 WITH ARTHUR, GRINCHUK AND STEINKE OPPOSED AND ROBLES, SALAS AND TUMMINIA IN FAVOR.

This item will return to the Board at a future meeting. Commissioner Steinke requested the report focus on parking, sales price, and the issue raised by Mr. Shapiro.

**103 HCR01-101 – Owner Occupied Housing Rehabilitation Policy Revisions (Citywide)**

Senior Program Analyst Lyle Knudson provided a brief report. In response to a question from the Chair, Mr. Knudson noted the policy revisions increase the limits on loans and grants to cover higher construction and rehabilitation expenses.

MOTION BY GRINCHUK TO FORWARD FOR HOUSING AUTHORITY APPROVAL A RECOMMENDATION TO REVISE THE OWNER-OCCUPIED HOUSING REHABILITATION POLICY. SECONDED BY SALAS AND CARRIED ON A UNANIMOUS VOTE OF 6-0 WITH DICK ABSENT.

**105 HCR01-105 – Meeting Housing Commission Office Space Needs (Citywide)**

Director Mikelman and Jerry Trimble of Keyser Marston Associates provided a staff report and presentation.

Chair Arthur asked if it was necessary to act on the report during this meeting. Mr. Trimble replied it would be difficult to achieve the December or January deadline to execute a Purchase and Sale Agreement if no direction was given at this time. Also, he noted the developer, Lankford & Associates, Inc., would not

expend any additional pre-development efforts without an Exclusive Negotiating Agreement.

Commissioner Robles requested additional information on the amount of parking that would be available for employees and visitors. Mr. Mikelman stated a trolley stop is next to the proposed site (furthering alleviating the number of spaces needed), and staff is in preliminary discussions with the developer about additional parking within a two-block walk to augment parking to be built on site.

Commissioner Grinchuk asked why proposed development sites in Mission Valley, North Bay and City Heights were rejected. Mr. Trimble responded the other locations did not meet selection guidelines relating to parking, access to public transportation, proximity to community services, and relocation and cost factors.

Commissioner Salas inquired how much the developer would spend prior to execution of the Purchase and Sale Agreement. Robert Lankford, representing the developer, said his company would incur costs approaching \$200,000 in architectural work, soil and environmental studies, and legal fees.

MOTION BY SALAS TO #1: APPROVE, IN CONCEPT, THE DEVELOPMENT OF A SITE LOCATED AT 12<sup>TH</sup> AVENUE AND C STREET TO MEET FUTURE OFFICE SPACE NEEDS. IT IS FURTHER RECOMMENDED THAT THE HOUSING COMMISSION FACILITATE DEVELOPMENT OF AFFORDABLE HOUSING ADJACENT TO THE PROPOSED OFFICE FACILITY; AND,

#2: AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE AN EXCLUSIVE NEGOTIATING AGREEMENT WITH LANKFORD & ASSOCIATES, INC. TO SERVE AS DEVELOPER OF THE PROPOSED OFFICE FACILITY, AND REJECT THE SUBMITTAL BY THE FIRM OF SONNENBLICK • DEL RIO IN RESPONSE TO A REQUEST FOR QUALIFICATIONS AS DESCRIBED HEREIN.

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 (*Commissioner Steinke was not present. A copy of his Written Notice of Disclosure is on file in the Office of the San Diego Housing Commission.*):

- 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

INFORMATIONAL ONLY. THE COMMISSION TOOK NO ACTION.

- b) 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

INFORMATIONAL ONLY. THE COMMISSION TOOK NO ACTION.

- c) Leonora Hayes Edmonds; Ronnie Edmonds Sr. vs. Irma Castillo, et. al. including San Diego Housing Commission  
United States District Court Case No. 00-CV-2453-IEG (JAH)

INFORMATIONAL ONLY. THE COMMISSION TOOK NO ACTION.

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

- a) Three matters.

INSTRUCTIONS WERE GIVEN TO COUNSEL BY A VOTE OF 5-0 WITH DICK AND STEINKE ABSENT.

III 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, 11<sup>th</sup> and 12<sup>th</sup> Avenues, and Broadway, also known as parcel numbers 534, 194, 01 through 04, and 09 owned by the San Diego Redevelopment Agency, and parcel number 08 currently owned by the San Diego Metropolitan Transit Authority

Agency Negotiators: Neal Arthur, David Dick, Elizabeth Morris, and Steve Mikelman for the San Diego Housing Commission

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

Under Negotiation: Price and terms

THE COMMISSION TOOK NO ACTION.

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

Property: 252 16<sup>th</sup> Street, San Diego, CA

Negotiating Parties: Steve Mikelman and Vicki Monce for the San Diego Housing Commission and Mr. William Ayyad

Under Negotiation: Price and terms

DIRECTIONS WERE GIVEN TO NEGOTIATING PARTIES BY A VOTE OF 5-0 WITH DICK AND STEINKE ABSENT.

- IV Public Employee Performance Evaluation, pursuant to Government Code Section 54957(e):

Title: Chief Executive Officer

AN EVALUATION OF THE CHIEF EXECUTIVE OFFICER WAS PERFORMED AND APPROVED BY A VOTE OF 5-0 WITH DICK AND STEINKE ABSENT.

Chair Arthur adjourned the meeting at 11:20 a.m.

Respectfully submitted,

Bill Luksic  
Docket Coordinator

**Signature on File  
With Original Document**

Approved by,

Elizabeth C. Morris  
Chief Executive Officer