



# MINUTES

**SAN DIEGO HOUSING COMMISSION  
MINUTES OF THE REGULAR MEETING  
DECEMBER 14, 2001, 9:00 AM  
CITY ADMINISTRATION BUILDING  
202 C STREET, 12TH FLOOR  
SAN DIEGO, CALIFORNIA**

## **ATTENDANCE**

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

### **10 CALL TO ORDER**

Chair Arthur called the meeting to order at 9:15.

### **20 PUBLIC COMMENT**

None.

### **30 COMMISSIONER COMMENTS**

Commissioner Grinchuk requested an update on the Balanced Communities Housing Program. Chief Executive Officer Morris responded that the Building Industry Association prepared a proposal of its own, and meetings are being held to discuss components of this plan. The Land Use and Housing Committee will hear the issue again in late January 2002.

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

Ms. Morris reported that the development of next fiscal year's budget would be accelerated due to a City Council request that all agency budgets be prepared by mid-March 2002.



**50 APPROVAL OF THE MINUTES**

MOTION BY DICK TO APPROVE THE MINUTES OF THE OCTOBER 18, 2001 JOINT MEETING. SECONDED BY GRINCHUK AND CARRIED ON A UNANIMOUS VOTE OF 5-0 WITH ROBLES AND STEINKE ABSENT.

MOTION BY DICK TO APPROVE THE MINUTES OF THE NOVEMBER 9, 2001 REGULAR MEETING. SECONDED BY SALAS AND CARRIED ON A UNANIMOUS VOTE OF 4-0 WITH ROBLES AND STEINKE ABSENT AND TUMMINIA ABSTAINING BECAUSE SHE DID NOT ATTEND THE NOVEMBER 9 MEETING.

**CONSENT AGENDA**

MOTION BY DICK TO APPROVE THE FOLLOWING ITEMS ON CONSENT (please note that there was no Item 106 on today's agenda):

**100 HCR01-134 – 2002 Housing Commission Meeting Schedule**

**Recommendation:** Approve the 2002 Housing Commission meeting schedule.

**101 HCR01-135 – Award of Contract for Replacement of Site Concrete at One Public Housing Site (Council District 3)**

**Recommendation No. 1:** Approve the withdrawal of a bid by Service on Standby, Inc. in accordance with the applicable provision of the public contracting code allowing for the release of a contractor for excusable neglect and errors in bidding.

**Recommendation No. 2:** Award a construction contract in the amount of \$150,000 to Arcco Construction Company for replacement of site concrete at 4416 Highland Avenue.

**102 HCR01-139 – Fiscal Year 2002 Audit Reports**

**Recommendation:** Accept the fiscal year 2001 Audit Reports, specified in the list of Attachments of the report, prepared by the accounting firm of Calderon, Jaham & Osborn.

**103 HCR01-133 – Section 457 Deferred Compensation Plan Revision**

**Recommendation:** Authorize the Chief Executive Officer to implement legislative modifications to the San Diego Housing Commission Section 457 Deferred Compensation Plan, as described in the report, to include: 1) Mandatory Cash-out of Small Account Balances and the following optional

changes: 1) Elective Deferral and Catch-up Limits, 2) Additional Contributions for Participants Age 50 and Over, 3) Flexible 457; Required Minimum Distributions, and 4) Qualified Domestic Relations Order language.

**105 HCR01-138 – Supplemental Multifamily Housing Revenue Bonds to Complete Construction of Hollywood Palms Apartments (Council District 3)**

**Recommendation No. 1:** Authorize subordination of a \$2,200,000 loan to Hollywood Palms for additional tax-exempt bonds during construction if the bonds are fully secured with a bank letter of credit and they meet the Housing Commission's underwriting standards.

**Recommendation No. 2:** Forward for Housing Authority approval a recommendation to take initial steps toward issuance of supplemental tax-exempt revenue bonds to complete the construction of the 94-unit Hollywood Palms Apartments located at 4366 Home Avenue.

**107 HCR01-137 – Proposed FY02 Budget Revision (Citywide)**

**Recommendation No. 1:** Approve revisions as shown on Attachment 1 of the report increasing the FY02 budget by \$10,938,135.

**Recommendation No. 2:** Forward for City Council approval a recommendation to use Low Income Housing Capital Outlay funds in the amount of \$48,549 for repairs at the Housing Commission's State-funded site located at 3222 Camulos Street (District 2).

SECONDED BY TUMMINIA AND CARRIED ON A UNANIMOUS VOTE OF 5-0 WITH ROBLES AND STEINKE ABSENT.

**ACTION AGENDA**

Chair Arthur excused himself from the meeting prior to discussion of the following item. A copy of his notice of abstention is on file in the Office of the San Diego Housing Commission.

**104 HCR01-120 – Award of Funding for Shared Equity Demonstration Program for Newly Constructed Homeownership Developments (Council Districts 3 and 8)**

Wendy DeWitt provided a staff report.

Commissioner Salas asked what the status is of the construction of the two projects under consideration. Housing Development and Finance Manager Jack Farris replied that only the Urban Village project has started construction.

In response to a question from Commissioner Dick, staff explained the Loan Committee felt it was best to allocate the funding to two separate entities serving different communities in the City.

MOTION BY SALAS TO APPROVE THE ALLOCATION OF \$500,000 IN SHARED EQUITY FUNDING FOR FIRST-TIME HOMEBUYERS AS FOLLOWS: \$380,000 FOR URBAN VILLAGE OFFICE AND TOWNHOMES AND \$120,000 FOR CASITAS DE LA FLORECITAS. *THE MOTION FURTHER DIRECTED THAT CONSTRUCTION ON THE DEVELOPMENTS MUST BEGIN WITHIN SIX MONTHS AND BE COMPLETED WITHIN 18 MONTHS OF THE DATE OF FINAL APPROVAL OF FUNDING ALLOCATION.*

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

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) Williams & Sons Masonry, Inc. v. Baronet & Co., Inc., et al.  
San Diego Superior Court Case No. 680684

THE BOARD 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, et al.  
San Diego Superior Court Case No. GIC755508

THE BOARD TOOK NO ACTION.

- (c) Addington v. San Diego Housing Commission, et al.  
United States District Court, Southern District of California  
Case No. 01-cv-1895-J (JFS)

THE BOARD TOOK NO ACTION.

- (d) Mahdavi v. State of California, et al.  
San Diego Superior Court Case No. GIC 777032

A WAIVER OF POTENTIAL CONFLICT OF INTEREST WAS APPROVED BY A VOTE OF 4-0 WITH ARTHUR, ROBLES AND STEINKE ABSENT.

- (e) San Diego Housing Commission v. Garden View Apts. No. 1, Ltd., et al.  
San Diego Superior Court Case No. GIC 778065

THE BOARD TOOK NO ACTION.

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

THE BOARD TOOK NO ACTION.

### ADJOURNMENT

Acting Chair Dick adjourned the meeting at 10:15 a.m.

Respectfully submitted,

Bill Luksic  
Docket Coordinator

**Signature on File  
With Original Document** Approved by,

Elizabeth C. Morris  
Chief Executive Officer