



MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
MARCH 31, 2000
CITY ADMINISTRATION BUILDING
202 C STREET, 12TH FLOOR
SAN DIEGO, CALIFORNIA**

Attendance: Present: Commissioners Arthur, Dick, Grinchuk, Hills, Oxberry, and Tumminia. Also present were: Ms. Elizabeth Morris, Chief Executive Officer; and Charles Christensen, General Counsel.

Absent: Commissioner Steinke.

10 CALL TO ORDER

Chair Arthur called the meeting to order at 9:10 A.M.

20 APPROVAL OF THE MINUTES

MOTION BY CHAIR ARTHUR TO APPROVE THE MINUTES OF MARCH 17, 2000.

SECOND BY GRINCHUK.

MOTION CARRIED ON A UNANIMOUS VOTE OF 5-0, WITH STEINKE AND HILLS BEING ABSENT.

30 COMMISSIONER COMMENTS

None.

40 REPORT BY THE CHIEF EXECUTIVE OFFICER

None.

50 PUBLIC COMMENT

There were no requests for public comment.

ACTION AGENDA

100 HCR00-036 - City of San Diego's FY2001-FY2005 Consolidated Plan (Citywide)

Staff report was presented by Senior Program Analyst Rudy Cervantes.

Evelyn Cohen representing the CalHousing Integration Set-Aside (HISA) Task Force stated that HISA urges the City to offer financial incentives to low-income persons moving out of concentrated areas in order to achieve the objectives of spatial deconcentration. She suggested that moving costs and/or security deposits be offered as financial incentives to persons willing to make such moves.

Mr. Mel Shapiro indicated that his comments on the Plan are contained in Attachment 3 to Appendix 8 of the Plan. He commented that the Consolidated Plan promises that the lowest-income renters be given the highest priority for assistance, but he believes that the Consolidated Plan does not appear to reflect this promise. Further, Mr. Shapiro requested that the Consolidated Plan show goals relative to need by income group.

Mr. Shapiro discussed earlier requests that the Consolidated Plan show losses of housing units.

Commissioner Dick asked whether today's action is a final action, or if it requires Housing Authority approval, and what are the purposes and import of the meetings and presentations listed in Attachment 1.

Staff member Rudy Cervantes explained the process that the Plan goes through. Everything that takes place prior to approval by the City Council is simply to gather input on the Plan.

MOTION BY OXBERRY TO RECOMMEND THAT THE CITY COUNCIL APPROVE THE FY2001-FY2005 CONSOLIDATED PLAN AND AUTHORIZE STAFF TO SUBMIT THE APPROVED DOCUMENT TO HUD.

SECONDED BY GRINCHUK.

MOTION CARRIED ON A UNANIMOUS VOTE OF 5-0, WITH COMMISSIONERS HILLS AND STEINKE BEING ABSENT.

101 Affordable Housing Workshop

Commissioner Hills arrived to participate in the Affordable Housing Workshop.

Ms. Morris stated that the Commission wished to have a constructive dialogue among the parties present. The goal is to discuss ways to leverage their collective resources to increase the supply of affordable rental housing.

The following individuals were present (in addition to Commissioners) and, at the request of Chief Executive Officer Elizabeth Morris introduced themselves and gave a brief overview of the role their respective organizations play in the affordable housing arena.

- Janet Falk, Executive Director of the California Housing Partnership Corporation, a nonprofit organization set up by the state legislature to expand and preserve affordable housing in the state.
- Ken Sauder, Executive Director of Wakeland Housing & Development Corporation, a nonprofit affordable housing developer working mainly in San Diego and Orange Counties.
- Darrell Steinhouse of Luce Forward Hamilton & Scripps, a law firm that represents a number of nonprofit and for-profit developers of affordable housing.
- Mitch Thompson, Bank of America Community Development Banking Group, an entity that works to develop new ways to put capital and loans into affordable housing projects.
- Bill Witte, a partner of Related Companies of California, a for-profit developer based in Irvine.
- Matthew Jumper, President of San Diego Interfaith Housing, a nonprofit developer and manager of affordable housing.
- Brad Wiblin, Director of Southern California Bridge Housing Corporation, a San Francisco-based nonprofit corporation, a nonprofit developer of affordable housing.
- Sylvia Martinez of Community Housing of North County, a nonprofit developer of affordable housing.
- Jim Schmid, President of Chelsea Investments, a for-profit developer of affordable housing.

Ms. Morris stated that the need for affordable housing is escalating and the supply is diminishing. Nationwide, 55% of households are able to purchase the average new home in their community. In San Diego, that figure is 33%. For a

family of four earning the median income of about \$54,000, they would have to double their income in order to afford the average new home in San Diego.

Ms. Morris noted that the vacancy rate for rental units has plummeted. It is hovering at around 2%, but in some communities it is closer to zero. The average rent is currently \$860 per month, and is projected to go to \$914 per month next year. It has been increasing at almost 10% per year. It takes about \$17 per hour to afford average San Diego rents. According to SANDAG, 40% of all jobs pay less than the amount needed to sustain a family in San Diego.

Ms. Morris gave a brief review of what the Housing Commission is doing today to address the need for affordable housing. She continued by saying that the Housing Commission is concerned that they have fewer loan dollars available for development of affordable housing. They have already committed \$9.2 million in financing to rental housing development so far this fiscal year. The total rental budget for next year is expected to be in the \$7 to \$8 million range. A brief chart that discusses some of the financing tools currently being used was distributed to the panelists.

Dr. Riedy then outlined how he would like to structure the workshop. The first part of the discussion will cover things over which the attendees have control. What works? What opportunities are we overlooking? How do we enhance our existing resources? What is not working well? The second part will cover what is working elsewhere. San Diego needs more ideas. The third part will cover what is beyond our control. We ought to take the time and make the effort to try to make a difference in those areas.

A discussion ensued in which the panelists addressed the points raised by Dr. Riedy. All the panelists participated and offered a variety of suggestions on how best to deal with the current housing crisis in San Diego. The issue of "inclusionary housing" was mentioned frequently by a number of the panelists as a potential alternative which might be pursued.

A major policy issue is whether to build more units for higher income levels or build fewer units and serve lower income levels that have the least choice in the marketplace.

Commissioner Dick indicated that this is the main policy issue that the Housing Commission struggles with, and also creates a tension between rental and homeownership.

Commissioner Grinchuk thanked the panel for their participation. He commented that the Workshop clearly demonstrates the complexity of the issue of affordable housing. He also indicated that it is important that in future

discussions the term “affordable housing” be more clearly defined. Is it subsidized housing? Is it housing for middle class persons who cannot afford the market?

Ms. Morris indicated that, at a future Housing Commission meeting, staff would bring forward an Action Plan developed from the suggestions and comments presented at today’s workshop. She also thanked the panel for sharing their time and expertise in addressing this critical issue.

In his closing remarks, Dr. Riedy challenged the Housing Commission to decide whether or not they want to become the public policy catalyst for affordable housing.

CLOSED SESSION

- I. Conference with Labor Negotiator – pursuant to California Government Code Section 54957.6:

Agency Negotiator:	Steve Mikelman and Cheryl Baker-Pautsch for the San Diego Housing Commission
Employee Organization:	Social Services Union, Local 535, SEIU, AFL-CIO

NOT DISCUSSED. NO ACTION OR VOTE WAS TAKEN.

- II. Adjournment of Closed Session.
- III. Announcement of action taken in Closed Session.

ADJOURNMENT

Chair Arthur adjourned the meeting at 11:30 a.m.

Respectfully submitted,

Approved by,

Rob Albrecht
Docket Coordinator

Elizabeth C. Morris
Chief Executive Officer

*Signature on File
With Original Document*