Good Neighbors
San Diego
Housing Commission

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AGENDA 437

AGENDA

Assistance for the Disabled: Agendas, reports and records are available in alternative formats upon request. To order information in Braille, oversized print or voice cassette tape, or to arrange for a sign language or oral interpreter for the meeting, please call the City Clerk's office at least five days prior to the meeting at **533-4000 (voice) or 236-7012 (TT).**

Assistive Listening Devices (ALDs): Are available from the City Clerk's Office prior to the meeting, and are to be returned at the end of the meeting.

Questions Regarding Agenda Items: For specific questions regarding any item on the Housing Commission agenda, please contact **Rob Albrecht at 525-3602.**

SAN DIEGO HOUSING COMMISSION
AGENDA FOR THE REGULAR MEETING
CITY ADMINISTRATION BUILDING
APRIL 21, 2000
9:00 A.M.
COUNCIL COMMITTEE ROOM
202 C STREET, 12TH FLOOR
SAN DIEGO, CALIFORNIA

ITEMS

10 CALL TO ORDER

(Arthur, Dick, Grinchuk, Hills, Oxberry, Steinke, and Tumminia)

20 PUBLIC COMMENT

At this time individual(s) may address the Commission on any subject in its area of responsibility on any matter not presently pending before the Commission. Communications are limited to three minutes. Pursuant to the Brown Act, no action can be taken by the Commission. Please fill out a SPEAKER REQUEST FORM and submit it to the secretary prior to the meeting.

30 COMMISSIONER COMMENTS

40 REPORT BY THE CHIEF EXECUTIVE OFFICER

50 APPROVAL OF THE MINUTES

Minutes of the March 31, 2000 Housing Commission meeting will be approved at the May 19 Housing Commission Meeting.

ADOPTION AGENDA - CONSENT

Members of the public may cause an item to be pulled from the Consent Agenda by submitting a Speaker Request Form prior to the meeting. The item will then be discussed separately and public testimony taken.

100 HCR00-034- C Proposed Loan to San Diego Habitat for Humanity for Development of a Single Family Home (Council District 4)

Recommendation: It is recommended that the Housing Commission approve an unsecured 21-year amortizing recourse loan of $25,000 at zero percent interest to San Diego Habitat for Humanity for acquisition costs related to the lot located at 3933 Gamma Street.

Fiscal Impact: Funds are available for this project as indicated below:

Certificate of Funding Availability:

Certificate No.:	00-153
Amount:	$25,000
Revenue Source:	HTF/Linkage
Division:	Housing Finance & Development
Line Item:	Loans

Previous Related Action(s): At its meeting of November 30, 1999, the Loan Committee approved a recommendation to fund this loan. At its meeting of March 26, 1998, the Housing Commission approved an unsecured loan to Habitat for the purchase of two single-family lots. The terms of the previous loan were the same as those proposed for this loan.

101 HCR00-043 C Proposed Shared Equity Demonstration Program for Newly Constructed Homeownership Developments (Citywide)

Recommendation: It is recommended that the Housing Authority approve a demonstration program that would reserve through a competitive funding process

funds for newly constructed homeownership developments that can meet certain criteria, including the provision of units affordable to families earning 80% or below the median area income.

Fiscal Impact: This program would be funded with $483,300 paid to the Housing Commission by Shea Homes Limited Partnership to satisfy a discretionary permit requirement. Up to 10% of this funding ($48,300) can be utilized for administrative fees with the remaining funds designated for homeownership programmatic expenses ($435,000).

102 THIS ITEM HAS BEEN PULLED.

103 HCR00-019 B Revocable Grant to TACHS Property Development for the Rehabilitation and New Construction of Reese Village, a 19-unit Special Purpose Housing Facility (Council District 7)

Recommendation No. 1: It is recommended that the Housing Commission forward to the Housing Authority a recommendation to approve a revocable grant in the maximum amount of $215,000 to TACHS Property Development to provide financing for a 19-unit facility to house mentally disabled residents.

Recommendation No. 2: It is recommended that the Housing Commission forward to the Housing Authority a recommendation to approve an amendment to documents for a previous $355,000 loan and grant to the development to make Commission participation in the funding a $570,000 revocable grant.

Recommendation No. 3: It is recommended that the Housing Commission forward to the Housing Authority a recommendation to approve the release of sixty percent of the developer fee to TACHS Property Development upon closing of the HUD loan for the Reese Village development.

Fiscal Impact: Funds are available for the recommended action, as indicated below.

Certificate of Funding Availability:

Certificate No.:	00-194
Amount:	$215,000
Revenue Source:	HTF Linkage Fee
Division:	Housing Finance
Line Item:	Grants

Previous Related Action(s): The Loan Committee met on April 18, 2000 to review these recommendations. Staff will report on their action at the Housing Commission meeting.

104 HCR00-037 – Request for Revision to the Terms and Conditions for the Acquisition and Rehabilitation of 3810 Winona Avenue (Council District 7)

Recommendation No. 1: It is recommended that the Housing Commission approve the $2,100,000 loan based on the revised sources and uses found in the report.

Recommendation No. 2: It is recommended that the Housing Commission approve the expenditure of up to $1,100,000 in Housing Trust Fund (HTF) funds and up to $1,000,000 in HOME Program funds. This is based on the previous loan approval of up to $2,100,000. $880,501 of HTF funds and $337,108 of HOME funds would be utilized at the construction closing in addition to Bank of America funds of $1,255,649 and the tax credit investor will release an amount equivalent to a third of the Commission funds. The Affordable Housing Program loan of $385,000 will be completely disbursed at this point.

Recommendation No. 3: It is recommended that the Housing Commission recommend that the $60,000 expended by CHNC, to extend the original sales option and considered as equity in the previous approval, be paid out as part of the deferred developer fee. The original developer fee was scaled back by $60,000 and considered as equity to keep the total loan to value within accepted limits. With the financing described in this report, the total loan to value will reduce from 146% to 74%.

Fiscal Impact: None with this action. Approval would adjust the terms and enhance the security for the previously approved loan of up to $2,100,000 ($1,000,000 in HOME funds, plus $1,100,000 of Housing Trust Fund funds). A $15,000 Housing Trust Fund Project Support Grant (previously approved by Loan Committee) has been expended toward this project.

Certificate of Funding Availability:

Certificate No.:	00-191
Amount:	$2,100,000
Revenue Source:	HOME @ $1,000,000
	HTF @ $1,100,000
Division:	Housing Finance
Line Item:	Loans

105 HCR00-042 – Palm Terrace Apartments (previously named Palm Vista Apartments (Council District 8)

Recommendation: It is recommended that the Housing Commission recommend that the Housing Authority approve the transfer of ownership of the 60-unit Palm

Terrace Apartments located at 2885 Palm Avenue from the San Diego Interfaith Housing Foundation to the Palm Terrace Interfaith Housing Corporation and authorize the Chief Executive Officer to execute the required documents.

Fiscal Impact: None with this action. The San Diego Interfaith Housing Foundation has agreed to act as guarantor to the Housing Commission loan for one year after transferring the property title. The San Diego Interfaith Housing Foundation has also agreed to pay for the legal expenses in preparing the necessary documentation.

Previous Related Action(s): On May 5, 1998, the Loan Committee recommended approval of San Diego Interfaith Housing Foundation for the acquisition, rehabilitation and management of the Housing Commission owned 60-unit Palm Vista apartments. At its June 2, 1998 meeting, the Loan Committee recommended approval of the loan to San Diego Interfaith Housing Foundation. The loan package was approved by the Housing Commission on June 22, 1998 and by the Housing Authority at its July 28, 1998 meeting. The property was transferred to Interfaith and the Deed of Trust recorded on May 3, 1999.

106 HCR00-045 – U.S. Department of Housing and Urban Development Super Notice of Funding Availability Applications (Citywide)

Recommendation: That the Housing Commission authorize the Chief Executive Officer (CEO) to take the following actions with respect to the U.S. Department of Housing and Urban Development's (HUD) pending Super Notice of Funding Availability (SuperNOFA) and/or individual Notice of Funding Availability (NOFA) processes:

1. Submit applications for the Continuum of Care Program; the Fair Share Allocation of Incremental Voucher Program; the Rental Assistance for Non-Elderly Persons with Disabilities in Certain Developments Program; the Resident Opportunity and Self Sufficiency (ROSS) Service Delivery Models; the ROSS Service Coordinator Program; the Drug Elimination Technical Assistance Program; the Multifamily Drug Elimination Program; and the Public Housing Technical Assistance Program under HUD's SuperNOFA or NOFA processes.

2. If the applications are approved, seek authorization from the Housing Authority to enter contracts with HUD and any related partners.

3. If the applications are approved, amend the Housing Commission's FY2001 Budget to reflect the new funds.

Fiscal Impact: If successful, the applications are estimated to yield between $9-$10 million total in renewal or new funding to assist the Housing Commission in implementing housing and support programs.

Previous Related Action(s): In 1999, applications were submitted under the SuperNOFA process for each of these programs. All applications were approved.

107 HCR00-032- (Supplemental) – Resident Services Program Direction (Citywide) (Continued from the March 17, 2000 Housing Commission Meeting)

Recommendation: The Housing Commission proceed in phases with the establishment of a Resident Services Corporation (RESIDENT SERVICES CORPORATION).

Fiscal Impact: The Housing Commission currently subsidizes resident services functions in the amount of approximately $636,000 per year. The initial cost of establishing a non-profit is estimated to be $80,000. Since the primary purpose for establishing a non-profit is to attract private charitable donations, this initial cost should be more than recouped, and Housing Commission funds would no longer be needed to administer resident services programs.

Previous Related Action(s): At the Housing Commission meeting of March 25, 1996, there was discussion regarding a Resident Services nonprofit corporation, but no action was taken. This item was reviewed by the Housing Commission on March 17, 2000 and was continued to the April 21 meeting for further discussion.

108 HR00-041 – Housing Trust Fund Three-Year Program Plan for Fiscal Years 01-03 and Fiscal Year 01 Implementation Strategy (Citywide)

Recommendation: That the Housing Commission: 1) hear public testimony on the Housing Trust Fund draft Three-Year Program Plan for FY01-03 and FY01 Implementation Strategy; 2) make modifications to the drafts as it deems appropriate; and, 3) forward the drafts to City Council with a recommendation for approval.

Fiscal Impact: None with this action. The FY01 Housing Trust Fund budget of $7,203,099 is incorporated into the Housing Commission's budget.

109 HCR00-039 – Proposed Fiscal Year 2001 Budget (Citywide)

Recommendation No. 1: Review and recommend Housing Authority adoption of the $107.1 million FY01 Activity Based Budget as proposed.

Recommendation No. 2: Recommend that the Housing Authority continue to delegate limited authority to the Housing Commission to amend the FY01 Budget, consistent with the policies, programs and activities approved by the Housing Authority, as it has in past years.

Recommendation No. 3: Continue to delegate limited authority to the Chief Executive Officer to amend the FY01 Budget consistent with policies, programs and activities approved by the Housing Authority, and, as in the past year, provide the Chief Executive Officer authority to add or transfer funds up to $100,000, which aligns with delegated procurement authority levels.

Fiscal Impact: Approval of the proposed FY01 Budget of $107,099,201 will provide funds for the Agency to pursue the goals and objectives outlined in the proposed Budget document.

Previous Related Action(s): The Housing Commission and Housing Authority approved similar delegation of budget authority on May 7, 1999 and June 8, 1999, respectively, along with the adoption of the FY00 Budget.

CLOSED SESSION

It is anticipated that the San Diego Housing Commission will recess on Friday, April 21, 2000, at 9:00 a.m. into 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 v. L.M. Hill, Jr., and Irene A. Hill
San Diego Superior Court Case No. 727112

(b) Hidden Valley Construction v. Housing Authority of the City of San Diego, a California public entity; San Diego Housing Commission, a California public entity
San Diego Superior Court Case No. 704467

(c) Betty Gibson, an individual, v. San Diego Housing Commission, a public entity
San Diego Superior Court Case No. GIC 737832

(d) Marivel Miranda v. San Diego Housing Commission
San Diego Superior Court Case No. 722682

(e) 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 No. D027060

(f) Matter of Mitchell Barosh vs. San Diego Housing Commission, et al.
DFEH Case No. E199900D1145-00-prsc; and
DFEH Case No. E199900D1145-01-prsc

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

Agency Negotiator:	Steve Mikelman, Pat Duplechan and Kadee Gonzalez for the San Diego Housing Commission
Employee Organization:	Social Services Union, Local 535, SEIU, AFL-CIO

III. Public Employee Performance Evaluation, pursuant to Government Code Section 54957(e):

Title: Chief Executive Officer

IV. Adjournment of Closed Session.

V. Announcement of action taken in Closed Session.

ADJOURNMENT

ATTACHMENT: List of Informational Reports Released During Calendar Year 2000

INFORMATIONAL REPORTS ISSUED DURING CALENDAR YEAR 2000

REPORT #	REPORT NAME	DATE ISSUED
HCR99-139	First Quarter FY2000 Budget Status Report	01/05/00
HCR00-013	Notice of Settlement of Pending Litigation, Quarter 2 –FY2000	01/26/00
HCR00-016	Semi-Annual Equal Opportunity and Small Contracts Status Report for the First half of Fiscal Year 2000	02/23/00
HCR00-017	Second Quarter FY00 Budget Status Report	02/23/00
HCR00-120	Activity Performance Report – Quarter 2 FY00	02/23/00
HCR00-128	Status of Loan Portfolio Second Quarter Fiscal Year 2000	02/23/00
HCR00-035	Multifamily Bond Program – Annual Status Report	03/16/00