



AGENDA

AGENDA 415

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**SAN DIEGO HOUSING COMMISSION
AGENDA FOR THE REGULAR MEETING
CITY ADMINISTRATION BUILDING
JANUARY 22, 1999
9:00 A.M.
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



30 COMMISSIONER COMMENTS

40 REPORT BY THE EXECUTIVE DIRECTOR

50 APPROVAL OF THE MINUTES

Minutes of the meeting of November 30, 1998.

Minutes of the meeting of December 14, 1998

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 HCR98- 156 (Revised) - San Diego Housing Commission 1999 Meeting Schedule (Citywide)

Recommendation: Approve a Housing Commission meeting schedule for 1999.

Fiscal Impact: None.

Previous Related Action(s): None.

101 NOTE: ITEM 101 HAS BEEN OMITTED. THERE IS NO REPORT.

102 HCR99-008 - Award of Construction Contract for Site Improvements at 605-695 Picador Blvd. (Council District 8)

Recommendation: It is recommended that the Housing Commission award a construction contract to low bidder Castello, Inc. for drainage and site improvements in the amount of \$197,615 at 605-695 Picador Boulevard with a ten percent contingency (\$19,761) to address potential change orders for items not anticipated and identified in the original scope of work. Authorize the Executive Director to execute the contract and the expend the contingency if necessary.

Certificate of Funding Availability:

Certificate No: 99-162
Amount: \$217,415

Revenue Source: Rental Rehabilitation
Division: Construction Services

Line Item: Extraordinary Maintenance Contracts

Previous Related Action(s): None

**103 HCR99-011 - Issuance of Revenue Bonds for North Park Properties
(Council Districts 4 and 7)**

Recommendation No 1: It is recommended that the Housing Commission recommend that:

- The Housing Authority approve a bond inducement resolution and an application to the State for an allocation of bond issuing authority for the project; and
- The City Council hold a public hearing ("TEFRA" hearing) and approve a resolution approving the issuance of bonds for the project by the Housing Authority.

Recommendation No. 2: It is recommended that the Housing Commission approve CGMS Incorporated and CIC Research, Inc. (MBE - 20 percent) as financial advisor; Orrick, Herrington & Sutcliffe and Williams & Gilmore (MBE -20%) as bond counsel; and Banc One Capital as bond underwriter.

Fiscal Impact - None. Approval of the resolutions does not commit the Housing Authority to issue bonds. Should the issuance of bonds for the project be authorized in the future under a separate action by the Housing Authority, the bonds would not financially obligate the City, the Housing Authority or the Housing Commission because security for the repayment of the bonds will be limited to specific private revenue sources identified under the financing. All costs of the financing, including compensation for staff work in preparing and administering the bonds will be borne by the developer.

Previous Related Action(s) - None.

**104 HCR99-010 - Bond Issuance for Logan Square Apartments
(Council District 4)**

Recommendation: It is recommended that the Housing Commission recommend that the City Council hold a public hearing ("TEFRA" hearing) and approve the proposed issuance of up to \$8.7 million of tax-exempt mortgage revenue bonds by the California Statewide Communities Development Authority (CSCDA), a statewide joint powers authority, to finance the acquisition and rehabilitation of the 170-unit Logan Square Apartments located at 4742 Solola Avenue by Logan Square Limited Partnership.

Fiscal Impact: None. The issuance of bonds for the project will not financially obligate the City, the Housing Authority or the Housing Commission because the bonds will be issued by CSCDA, a statewide joint powers authority acting as a separate legal entity. The developer will pay a \$2,000 fee to the Housing Commission for costs associated in preparation of the requested action.

Previous Related Action(s): None.

**105 HCR98-155 - Contract for Security Guard Services (Citywide)
(Continued from December 14, 1998 Housing Commission meeting)**

Recommendation: It is recommended that the Housing Commission authorize an award of a two-year contract, effective December 1, 1998 through November 30, 2000, with option to renew for one (1) additional year period, to Action Security and Investigation.

Fiscal Impact: The two-year contract for security guard services shall not exceed \$322,478. Due to the increase in cost of this service, the Executive Director has modified the FY99 Budget by (1) increasing Protective Services for Property Management Occupancy by \$33,900 funded from Public Housing Reserves and (2) increasing Facilities Management by \$3,540 from a transfer of Contingency Reserves.

Previous Related Action(s): On June 19, 1998, the Housing Authority authorized an agreement for security guard services with Custodial Guard Services, Inc., for the period August 1, 1997 through June 30, 1998, with options to renew for two (2) additional year periods.

**106 HCR99- 104 - Rehabilitation Loan - 4170 Nordica Avenue
(Council District 8)**

Recommendation: It is recommended that the Housing Commission approve the Loan Committee's recommendation to fund a \$65,000 rehabilitation loan for the property located at 4170 Nordica Avenue.

Certificate of Funding Availability:

Certificate No:	99-148	
Amount:	\$65,000	
Revenue Source:	Housing Trust Fund	\$35,000
	Rental Rehab Program Income	\$30,000
Division:	Housing Services	
Line Item:	Loans and Grants	

Previous Related Action(s): On November 14, 1994, the Housing Commission amended Housing Program Lending Authority Policy 600.101 and the Owner-Occupied Housing Rehabilitation Policy 600.203.

107 HCR99-005 - Rehabilitation Loan - 3444-46 Valle Avenue (Council District 4)

Recommendation: It is recommended that the Housing Commission approve the \$22,500 loan to Archie Wright and LaVirgia Bryant-Wright for rehabilitating the property at 3444-46 Valle Avenue. The recommendation is based on the owner's financial strength and ability to personally make-up any shortfall that may be realized by the subject property.

Certificate of Funding Availability:

Certificate No:	99-155
Amount:	\$22,500
Revenue Source:	HOME Funds
Division:	Housing Services
Line Item:	Loans and Grants

Previous Related Action(s): On November 9, 1998, the Housing Commission amended the Rental Property Rehabilitation Policy 600.202. On November 14, 1994, the Housing Commission amended Housing Program Lending Authority Policy 600.101.

108 HCR99 - 012 - Fiscal Year 1998 Audit Reports (Citywide)

Recommendation: It is recommended that the Housing Commission accept the audits, the project audits, and the Report to Management prepared by Calderon, Jaham & Osborn for the fiscal year ending June 30, 1998.

Fiscal Impact: The cost of performing the various audits for fiscal year 1998 was \$31,410.

Previous Related Action(s): On March 31, 1998, the City of San Diego awarded a five-year contract to Calderon, Jaham & Osborn to perform the financial and single audits of the Housing Commission and project audits for the State of California and University Canyon North HUD Project. The agreement was filed with the Office of the City Clerk, San Diego, California (Document Number RR-289909).

109 HCR99 - 006 - Revocable Grant to Stepping Stone of San Diego, Inc. for the Construction of a 28-bed Residential Recovery Group Home (Council District 3)

Recommendation No. 1: It is recommended that the Commission recommend Housing Authority approval of a \$513,067 revocable grant to finance the construction of Stepping Stone's 28-bed residential recovery group home with a minimum of 12 beds to be set aside on a priority basis for persons diagnosed with HIV/AIDS.

Recommendation No. 2: It is recommended that the Housing Commission agree to subordinate its current second position acquisition loan on the property (in the amount of \$95,333) to a short-term construction loan.

Fiscal Impact: The Housing Trust Fund Special Purpose Housing budget for FY99 is \$700,000.

Certificate of Funding Availability:

Certificate No.:	99-149
Amount:	\$513,067
Revenue Source:	Housing Trust Fund-Linkage
Division:	Housing Finance & Development
Line Item:	Grants

Previous Related Actions: On October 19, 1992, the Housing Commission approved a second position residual receipts loan of \$95,333 to The Stepping Stone of San Diego, Inc. for the acquisition and minor rehabilitation of the premises (HCR92-283). On September 22, 1998, the Loan Committee approved a \$15,000 Project Support Grant for this project. On December 15, 1998, the Loan Committee approved the current recommendation to the Housing Commission.

110 HCR99-001 - Multifamily Rental Housing Request for Proposals Loan Recommendations (Council Districts 4, 7, 8)

Recommendation No. 1: Recommend Housing Authority approval of funding to Southwest Affordable Housing for the acquisition and rehabilitation of the Mayberry Apartments located at 4328-4490 Mayberry Street in an amount up to \$670,000 and as detailed in Exhibit A of this report.

Recommendation No. 2: Recommend a reservation of funds, with the project proposals returning to the Loan Committee and Housing Commission as soon as all the updated "sources and uses of funds" information can be reviewed for feasibility, for:

- Community Housing of North County for the acquisition and rehabilitation of the Winona Apartments located at 3810 Winona Avenue in an amount up to \$2,100,000 and as detailed in Exhibit B of this report;

- Christopher Chase for the new construction of the Boston Apartments located at 2650 Boston Avenue in an amount up to \$374,530 and as detailed in Exhibit C of this report; and
- Chelsea Investment Corporation for the new construction of the St. Regis Park Apartments located at 12th and Market in an amount up to \$2,000,000 and as detailed in Exhibit D of this report.

Recommendation No. 3: Reject proposals received for American Pacific Properties located at 12th and Market (Exhibit E); and Sunshine Gardens located at 443 South 47th Street (Exhibit F).

Fiscal Impact: Approval of this recommendation would result in the expenditure and/or reservation of \$5,144,530 of the \$6 million in HOME and Housing Trust Fund funds available from the RFP. The residual funds can be used in a future request for proposal and/or for applications received under the open Notice of Funding Availability process.

Previous Related Actions: The Loan Committee recommended Housing Commission approval at their meeting of December 15, 1998

111 **HCR99-002 - Inducement Resolution and TEFRA Application for Mayberry, Winona and St. Regis (Council District 4, 7, 8)**

Recommendation No. 1: It is recommended that the Housing Commission recommend:

- 1) The Housing Authority approve a bond inducement resolution for the three proposed bond issuances.
- 2) The Housing Authority approve an application to the State for an allocation of bond issuing authority for the acquisition and rehabilitation of Mayberry Apartments, subject to the Housing Commission recommending a HOME/Housing Trust Fund loan of up to \$670,000 (a companion item addressing the Housing Commission loan is contained in Housing Commission Report number HCR 99-001); and
- 3) The City Council hold a public hearing ("TEFRA" hearing) and approve a resolution approving the issuance of bonds for the Mayberry Apartments by the Housing Authority subject to proper authorization of such issuance by the Authority at a future date.

Recommendation No. 2: It is recommended that the Housing Commission approve:

- 1) for the proposed Mayberry Apartments bond issuance and the proposed St. Regis Park Apartments project bond issuance, Litten Financial and Kosmont & Associates, Inc. (MBE-20%), financial advisor; Stradling Yocca Carlson & Rauth and Robinson & Pearman (MBE - 20 percent), bond counsel; and
- 2) for the proposed Winona Apartments bond issuance, CGMS Incorporated and CIC Research, Inc. (MBE - 20 percent), financial advisor; Orrick, Herrington & Sutcliffe and Williams & Gilmore (MBE -20%), bond counsel.

The respective bond underwriters will be designated later in accordance with the existing policy.

Fiscal Impact: None. Approval of the resolutions does not commit the Housing Authority to issue bonds. Should the issuance of bonds for the projects be authorized in the future under a separate action by the Housing Authority, the bonds would not financially obligate the City, the Housing Authority or the Housing Commission because security for the repayment of the bonds will be limited to specific private revenue sources identified under the respective financings. All costs of the financings, including compensation for staff work in preparing and administering the bonds will be borne by the participating developers.

Previous Related Action(s) - None.

CLOSED SESSION

It is anticipated that the San Diego Housing Commission will recess on Friday, January 22, 1999 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, a public agency vs. Eileen Walker, an individual
San Diego Municipal Court Case No. 605653
 - (b) SDHC v. John Baranski
San Diego Municipal Court Case No. 603081
San Diego Municipal Court Case No. 607170
 - (c) SDHC v. Victor Crawford, an individual
San Diego Municipal Court Case No. 603899
 - (d) Mildred J. Tanner v. San Diego Housing Commission, a public corporation

San Diego Superior Court Case No. 723725

- (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 Appeals Case No. D027060

- (f) Steven Small v. Betsy Morris; San Diego Housing Commission
San Diego Superior Court Case No. 724292

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

(a) More than (1) matter.

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

Property: Skyline/Woodman (vacant property owned by SDHC)

Negotiating Parties: Elizabeth Morris and Pat Getzel for the San Diego Housing Commission; and William Jones for Woodman Estates, LLC, whose co-developers are Patrick Property Services and and Citylink Investment Corporation, for prospective purchaser.

Under Negotiation: Terms and Price

- IV. PUBLIC EMPLOYEE APPOINTMENT. TITLE: Designees of the Executive Director of the Housing Authority of the City of San Diego, pursuant to Government Code Sections 54957.1(a)(5) and 54954.5(e).

- V. Adjournment of Closed Session.

- VI. Announcement of action taken in Closed Session.

ADJOURNMENT