



# SAN DIEGO HOUSING COMMISSION MINUTES

**SAN DIEGO HOUSING COMMISSION  
MINUTES OF THE REGULAR MEETING  
FEBRUARY 9, 1998  
CITY ADMINISTRATION BUILDING  
202 C STREET, 12TH FLOOR  
SAN DIEGO, CALIFORNIA**

**Attendance: Present: Chairman Arthur, Commissioners Dick, Macias, Nottley and Tumminia. Also present were: Ms. Elizabeth C. Morris, Executive Director and Charles Christensen, General Counsel. Absent: Commissioner Oxberry.**

**10 CALL TO ORDER**

**Chair Arthur called the meeting to order at 9:09 a.m.**

**20 PUBLIC COMMENT**

**Mr. Mel Shapiro inquired as to the status of the Program Progress Report produced by the San Diego Housing Commission.**

**Mr. Shapiro also indicated that he feels the Housing Commission is trying to discourage citizen participation with its proposal to charge the public for copies of public documents.**

**30 COMMISSIONER COMMENTS**

**40 REPORT BY THE EXECUTIVE DIRECTOR**

**Ms. Morris reported to the Commissioners that the Median Area Income (MAI) has been recently revised and published by HUD. Ms. Morris pointed out that most of Commission's programs base eligibility on families earning a percentage of MAI. HUD now defines MAI for a family of four as \$50,800. Therefore, the ceiling of eligibility for the program that affects the most people (Section 8) is \$25,400 for a family of four.**

**50 APPROVAL OF THE MINUTES**

**MOTION BY DICK TO APPROVE THE MINUTES OF THE MEETING OF JANUARY 20, 1998.**

**SECOND BY NOTTLEY.**

**Mr. Shapiro commented that the January 12, 1998 Commission minutes do not accurately reflect his comments regarding the appointment of a new commissioner. Mr. Shapiro's comments related to the "failure to disclose" that a new commissioner needed to be appointed to replace**

Commissioner Macias, not that a commissioner had not been appointed, was at issue.

COMMISSIONER DICK AMENDED HIS ORIGINAL MOTION AND REQUESTED THAT THE MINUTES BE AMENDED TO REFLECT BOTH THAT MR. SHAPIRO ASSERTED THAT THE "FAILURE TO DISCLOSE THE FACT THAT A NEW COMMISSIONER HAD NOT BEEN APPOINTED WAS A COVERUP, UNFAIR AND ILLEGAL". COMMISSIONER DICK REAFFIRMED HIS COMMENTS THAT MR. SHAPIRO'S ALLEGATIONS WERE "RECKLESS AND IRRESPONSIBLE".

MOTION CARRIED BY A VOTE OF 4-0, WITH MACIAS AND OXBERRY BEING ABSENT.

#### ADOPTION AGENDA - CONSENT

MOTION WAS MADE BY DICK TO APPROVE THE FOLLOWING ITEMS ON CONSENT:

- 100 HCR98-005 - Contract for Police Officers (Council Districts 3, 4, and 8)  
(TRAILED FROM JANUARY 26, 1998 HOUSING COMMISSION MEETING)

Recommendation: It is recommended that the Housing Commission authorize the Executive Director to execute an agreement (Attachment 1 of the staff report) with the City of San Diego Police Department in the amount of \$50,000 to conduct community policing activities at public housing sites located in the City Heights East, City Heights West, Chollas View, Valencia Park, Lincoln Park, Nestor and San Ysidro public housing areas for a twelve month period.

- 101 HCR98-008 - Contract for Educational and Diversionary Services (Council District 8)(TRAILED FROM JANUARY 26, 1998 HOUSING COMMISSION MEETING)

Recommendation: It is recommended that the Housing Commission authorize the Executive Director to execute a contract agreement with Barrio Station for Educational and Diversionary Services for the period January 26, 1998 through January 25, 1999 without rebidding services.

- 102 HCR98-009 - Contract with Casa Familiar/Amanacer for Administrative Services for the "Computers in Our Future" (Council District 8)

Recommendation: It is recommended that the Housing Commission authorize the Executive Director to execute a contract with Casa Familiar/Amanacer in the amount of \$84,377 to provide administrative services for the "Computers in Our Future" (CIOF) program, which is funded by the California Wellness Foundation, for the period January 26, 1998 through June 30, 1998, with an option to renew for three additional one-year periods.

**104 HCR98-017 - Section 457 Deferred Compensation Plan (Citywide)**

**Recommendation: Authorize the Executive Director to implement modifications to the San Diego Housing Commission Section 457 Deferred Compensation Plan to include the following:**

**Required Changes**

**1) Provide automatic future increases in the deferral limit for cost of living adjustment, 2) comply with Conforming Equitable Distribution Orders for former spouses and dependents, 3) amend group annuity contract to protect assets of the Plan.**

**Optional Changes**

**4) Amend Normal Retirement from age 65 to age 62 to correspond with the Housing Commission's Pension Plan, 5) retain provision for in-service distribution for unforeseeable emergency, 6) retain provision permitting 457 Plan to Plan transfers, and 7) allow a one-time delay in payment of benefits from previous employee-selected benefit commencement date.**

**107 HCR98-018 - Revision to Legal Services Contract (Citywide)**

**Recommendation: That the Housing Commission recommend Housing Authority approval of the proposed contract amendment and authorize the Executive Director to amend the FY98 budget accordingly.**

**MOTION SECONDED BY NOTTLEY.**

**MOTION CARRIED UNANIMOUSLY ON A VOTE OF 4-0, WITH MACIAS, AND OXBERRY BEING ABSENT.**

**MOTION MADE BY DICK TO TRAIL THE FOLLOWING ITEM TO THE FEBRUARY 23, 1998 HOUSING COMMISSION MEETING AT THE REQUEST OF ATTORNEY CHARLES WOLFINGER TO ALLOW MR. WOLFINGER AN OPPORTUNITY TO REVIEW REPORT AND PROVIDE INPUT:**

**106 HCR98-004 - Open Meetings and Public Records Policy (Citywide)**

**Recommendation: That the Housing Commission approve and recommend Housing Authority adoption of a revised Open Meetings and Public Records Policy.**

**SECOND BY TUMMINIA.**

**MOTION CARRIED ON A VOTE OF 4-0, WITH MACIAS AND OXBERRY BEING ABSENT.**

**ADOPTION AGENDA - ACTION AGENDA**

**Commissioner Macias arrived and was present for the remainder of the meeting.**

**103**    **HCR98-001 - Status Report for Loans Either Due and Payable or Reverting to Monthly Payments (Citywide)**  
**(TRAILED FROM JANUARY 26, 1998 HOUSING COMMISSION MEETING)**

**Mr. Steve Mikelman presented the staff report on this item.**

**Mr. Mikelman indicated that it is staff's intent to amend the Housing Commission Policy 600.104 reflecting the change that this information will be reported on a quarterly basis and included the Housing Commission Quarterly Loan Status Report in the future.**

**Commissioner Dick inquired if any of the loans which are currently in deferred status and going to an "active" status are expected to be problematic. Mr. Mikelman responded it is anticipated that all such loans will be paid as agreed.**

**MOTION BY NOTTLEY TO ACCEPT THE EXECUTIVE DIRECTOR'S REPORT IDENTIFYING ALL LOANS THAT WILL BECOME DUE AND PAYABLE DURING CALENDAR YEAR 1998, INCLUDING LOANS THAT WERE DEFERRED AND ARE REVERTING TO MONTHLY PAYMENTS.**

**MOTION SECONDED BY MACIAS.**

**MOTION CARRIED UNANIMOUSLY ON A VOTE OF 5-0, WITH OXBERRY BEING ABSENT.**

**105**    **HCR98-016 - Offer to Purchase 1134 7th Avenue (Council District 2)**

**Mr. Steve Mikelman presented the staff report on this item.**

**Mr. Shapiro spoke in support of this item. Mr. Shapiro also commented that the staff report should mention that there was a foreclosure on this property. In addition, Mr. Shapiro commented that the amount of the unpaid debt, which was \$299,844, should be outlined in the staff report. In addition, Mr. Shapiro spoke of a lawsuit which was filed, which he indicated should be noted in the staff report.**

**Commissioner Dick inquired if there had been an updated appraisal done since the last appraisal, which was done 8 months prior. Ms. Vicki Bonner responded that there has not been an update. However, she conveyed the appraisor's opinion that there would not be a substantial increase in value because the property is not the normal size of a lot, it was a little smaller. There is no access to the property except through the alley.**

**MOTION BY NOTTLEY TO:**

- A)    TO ACCEPT THE OFFER OF \$150,000 SUBMITTED BY SAN DIEGO INTERFAITH FOUNDATION (SDIHF) AND ASSIGN THE MONTH-TO-MONTH TENANCY AGREEMENT FOR PARKING PURPOSES BETWEEN THE HOUSING COMMISSION AND**

**THE UNITED EDUCATIONAL INSTITUTE (UEI) TO SDIHF AS THE LESSOR.**

- B) TO MAKE A COUNTER OFFER TO HOME QUEST REGARDING THE LOAN TERMS AS FURTHER DESCRIBED HEREIN AND, IF ACCEPTED, HOLD AS A BACK-UP IN THE EVENT THAT THE PRIMARY OFFER DOES NOT RESULT IN PURCHASE OF THE SUBJECT PROPERTY.**
- C) FOR THE EXECUTIVE DIRECTOR TO EXECUTE THE DOCUMENTS NECESSARY TO COMPLETE THE TRANSACTION.**

**SECOND BY DICK.**

**MOTION CARRIED UNANIMOUSLY ON A VOTE OF 5-0, WITH OXBERRY BEING ABSENT.**

**108 FY99 BUDGET WORKSHOP - HCR98-015 - Budget Document (TRAILED FROM JANUARY 26, 1998 HOUSING COMMISSION MEETING)**

**Mr. Ron Novello presented the staff report on this item.**

**Executive Director Elizabeth Morris commented that one of the questions currently under consideration is how much of the line item detail is important to include and how deep in the subactivities is the information helpful to the Commissioners.**

**Mr. Mel Shapiro made the following comments:**

- 1. Show allocations to each income group by categorical and noncategorical programs.**
- 2. Show more information re: how previous year reserves were spent.**
- 3. Performance measures should be compared to actual.**
- 4. Reinstitute capital projects budgets.**
- 5. Demonstrate that Budget is to create a level of affordability for the very very-low and the very-low income.**
- 6. Show year-to-year salary comparisons.**
- 7. Show the amount of uncommitted funds available.**
- 8. Follow the Select Committee recommendation to do a cost benefit analysis for major equipment purchases.**
- 9. Commissioners and the public should see the three consultant reports (Section 8, Loan Management and Salaries) before they discuss the budget.**

Commissioner Dick asked Mr. Shapiro to expand on his 1st recommendation.

Mr. Shapiro responded that the Housing Commission does a report to HUD entitled the Consolidated Plan Performance Report. This report is broken up by income category. Mr. Shapiro commented that this form is very useful and could be used for the Commission's Budget.

Mr. Dick noted Mr. Shapiro's opposition to the maintenance of ongoing reserves where he believes funds are just "sitting" there and not being committed or identified for a particular use.

**MOTION BY MACIAS TO ACCEPT STAFF'S RECOMMENDATION AND TO CONTINUE ACTIVITY BASED BUDGET FORMAT.**

**SECOND BY DICK WITH THE UNDERSTANDING THAT STAFF ALWAYS BE LOOKING TO IMPROVE THE DOCUMENT AND, IN PARTICULAR, IN A USER FRIENDLY FORMAT.**

**MOTION CARRIED UNANIMOUSLY ON A VOTE OF 5-0, WITH OXBERRY BEING ABSENT.**

Executive Director Morris noted that staff is committed to continuing to improve the Budget document and other activities within the agency.

**109 FY99 BUDGET WORKSHOP - HCR98-013 - Rent Levels at Maya Apartments and Use of Maya Apartment Revenues (TRAILED FROM JANUARY 26, 1998 HOUSING COMMISSION MEETING)**

San Diego Housing Commission Program Manager Pat Getzel presented the staff report on this item.

Mr. Mel Shapiro spoke in favor of the staff report and the recommendations contained therein. However, Mr. Shapiro requested that it be stated how positive cash flow from this project will be utilized.

Commissioner Dick recommended that with respect to any new units or any vacancies that those vacancies be rented at full market rent. Commissioner Dick also commented that tenants should be notified of the Commission's intent to keep rents at market value into the future.

**MOTION BY DICK TO RECOMMEND THE FOLLOWING:**

**1. AUTHORIZE THE EXECUTIVE DIRECTOR TO INCREASE THE MARKET RATE UNITS TO THE COMPARABLE RENTS OF THE AREA AND SURVEY THE AREA EACH SIX MONTHS AND MAINTAIN PARITY WITH THE SURROUNDING AREA RENTS. RECOMMEND THAT EXISTING TENANTS BE PUT ON NOTICE THAT THIS INCREASE IS THE FIRST OF SERIES OF RENT INCREASES, THE**

**PURPOSE OF WHICH WILL BE, OVER TIME, TO BRING THE RENTAL RATES ON THESE UNITS UP TO MARKET.**

**2. CHANGE THE AFFORDABILITY OF THE 15 UNITS CURRENTLY AFFORDABLE AT THE 60 PERCENT MEDIAN AREA INCOME LEVEL TO THE 50 PERCENT MEDIAN AREA INCOME. THE CHANGE IN AFFORDABILITY WOULD BE PHASED IN AS THE 60 PERCENT MEDIAN AREA INCOME UNITS TURN OVER AND WOULD NOT IMPACT THE EXISTING TOTAL NUMBER OF AFFORDABLE UNITS AT THE SITE.**

**3. ANNUALLY FUND THE REPLACEMENT RESERVES BY \$179,000 TO FUND THE ESTIMATED CAPITAL IMPROVEMENT NEEDS OF THE PROJECT.**

**SECOND BY MACIAS.**

**MOTION CARRIED UNANIMOUSLY ON A VOTE OF 5-0, WITH OXBERRY BEING ABSENT.**

**Commissioner Macias reported that she had just met with 9 commissioners from different parts of the country and those commissioners reported that they are now pursuing projects such as the Maya (e.g., Monterrey, County of Santa Barbara etc.).**

**Ms. Morris noted, for the record, that staff will conduct semi-annual surveys of rent levels at the Maya and administratively increase rents to keep up with the market.**

**110 FY99 BUDGET WORKSHOP - HCR98-011 - Discussion Regarding Private Management of Some Publicly Owned Rental Properties (TRAILED FROM JANUARY 26, 1998 HOUSING COMMISSION MEETING)**

**Pat Zamora presented the staff report on this item.**

**Chair Arthur indicated that he would not be opposed to the Commission's mixed income properties being managed by outside contractors, under the Commission's supervision.**

**Commissioner Macias spoke in favor of continued management of Maya by the Housing Commission for some time in order to maintain control and ensure continued high standards. Ms. Macias suggested that the Commission maintain control of the Maya for at least the next 1-2 years.**

**Mr. Shapiro commented that he believes "the Housing Commission owning and operating private market rate housing is not part of the American economic system - it is part of socialism." Mr. Shapiro spoke in favor of seeking private management proposals.**

**MOTION BY DICK TO CONTINUE THIS ITEM TO THE FEBRUARY 23, 1998 HOUSING COMMISSION MEETING FOR FURTHER DISCUSSION.**

**SECOND BY MACIAS.**

**MOTION CARRIED ON A VOTE OF 5-0, WITH OXBERRY BEING ABSENT.**

**111 FY99 BUDGET WORKSHOP - HCR98-023 - Budget Context**

**Ms. Morris presented the staff report on this item.**

**THIS INFORMATION WAS PRESENTED AS AN DISCUSSION ITEM ONLY TO GIVE THE COMMISSIONERS A PICTURE OF THE ECONOMIC ENVIRONMENT, BOTH LOCALLY AND NATIONALLY, IN WHICH THE COMMISSION IS CURRENTLY PUTTING ITS BUDGET TOGETHER. NO ACTION WAS TAKEN.**

**CLOSED SESSION**

**I. Conference with Legal Counsel - existing litigation, pursuant to California Government Code Section 54956.9(a) and 54954.5(c):**

- (a) SDHC v. Home Park Village Apartments; Jonroe Properties  
San Diego Municipal Court Case No.: 596769**

**This item was taken as Informational only. No action was taken.**

- (b) SDHC v. San Diego Investors dba Harbor Ridge; JW Apartment Realty, Inc.  
San Diego Municipal Court Case No.:**

**59676  
7**

**This item was taken as Informational only. No action was taken.**

- (c) SDHC v. Horizon Capital Group LP/Uptown Property Management; Joseph Daneshgar  
San Diego Municipal Court Case No.:**

**59676  
8**

**This item was taken as Informational only. No action was taken.**

- (d) SDHC v. Gunner Mouritzen  
San Diego Municipal Court Case No.:**

**59676  
6**

**This item was taken as Informational only. No action was taken.**

- (e) **SDHC v. Jon Williams; Great Western; Ricardo Chantengco; Theresita Chantengco**  
San Diego Municipal Court Case No.:

59741  
8

By a vote of 5-0, with Oxberry being absent, direction was given to Counsel concerning the handling of this litigation.

- (f) **SDHC v. Patricia Coopridier**  
San Diego Municipal Court Case No.:

59741  
9

Settlement was disclosed by general counsel. Case settled for the payment of \$1,530.00, which was the full amount of Demand set forth in the Complaint.

- (g) **SDHC v. Mountain View Service, Inc.; Horizon Capital Group L/P Uptown Property Management; General Electric Corporation; Fairfield Properties, Inc.; John Daneshgar**  
San Diego Municipal Court Case No.:

59742  
0

This item was taken as Informational only. No action was taken.

- (h) **SDHC v. Cinnamon Woods Apartments; Patricia Barba**  
San Diego Municipal Court Case No.:

59742  
1

This item was taken as Informational only. No action was taken.

- (i) **SDHC v. Jose Jimenez**  
San Diego Municipal Court Case No.:

59698  
9

This item was taken as Informational only. No action was taken.

- (j) **SDHC v. Glen Rufenach**  
San Diego Municipal Court Case No.:

59698  
8

This item was taken as Informational only. No action was taken.

- (k) SDHC v. William Cogan, Jr.  
San Diego Municipal Court Case No.:

59780  
3

This item was taken as Informational only. No action was taken.

- (l) SDHC v. Virgil Rosenfeld  
San Diego Municipal Court Case No.:

59780  
5

This item was taken as Informational only. No action was taken.

- (m) SDHC v. Q Avenue II; Kathryn Schmedding; RGU Management; Robert Underwood  
San Diego Municipal Court Case No.:

5978000

This item was taken as Informational only. No action was taken.

- (n) SDHC v. Oro Valle Apartments; David Zettel; Charlene Zettel; EMIF California Ltd.  
San Diego Municipal Court Case No.:

59779  
9

This item was taken as Informational only. No action was taken.

- (o) SDHC v. Jean Klauber; Parkview Robinson  
San Diego Municipal Court Case No.:

59805  
4

This item was taken as Informational only. No action was taken.

- (p) SDHC v. Ralph Wyer  
San Diego Municipal Court Case No.:

59805  
3

This item was taken as Informational only. No action was taken.

- (q) SDHC v. Great Western Bank; Phuc Doan  
San Diego Municipal Court Case No.:

59805  
2

This item was taken as Informational only. No action was taken.

- (r) SDHC v. Olivewood Garden Apartments  
San Diego Municipal Court Case No.:

59811  
8

This item was taken as Informational only. No action was taken.

- (s) SDHC v. Menlo Estates; Gregory Norcop  
San Diego Municipal Court Case No.:

59827  
3

This item was taken as Informational only. No action was taken.

- (t) SDHC v. Robert Defreitas  
San Diego Municipal Court Case No.:

59871  
3

This item was taken as Informational only. No action was taken.

- (u) SDHC v. Tony Cassolato  
San Diego Municipal Court Case No.:

59866  
4

This item was taken as Informational only. No action was taken.

- (v) SDHC v. Kansas Street Joint Venture  
San Diego Municipal Court Case No.:

59866  
2

This item was taken as Informational only. No action was taken.

- (w) **SDHC v. Top of the Hills**  
San Diego Municipal Court Case No.:

59865  
9

This item was taken as Informational only. No action was taken.

- (x) **SDHC v. John Strubb**  
San Diego Municipal Court Case No.:

59866  
3

This item was taken as Informational only. No action was taken.

- (y) **SDHC v. C. Lowell Parsons**  
San Diego Municipal Court Case No.:

59866  
1

This item was taken as Informational only. No action was taken.

- (z) **SDHC v. Charles Pace; Jimmie Pace**  
San Diego Municipal Court Case No.:

59871  
4

This item was taken as Informational only. No action was taken.

- (aa) **SDHC v. Western Communities**  
San Diego Municipal Court Case Filed 1/30/98, Case No. not available

This item was taken as Informational only. No action was taken.

- (bb) **SDHC v. Harbor Point; Gerald Pfaff; U.S. Community Savings; Hugh Stewart**  
San Diego Municipal Court Case Filed 1/30/98, Case No. not available

This item was taken as Informational only. No action was taken.

- (cc) **SDHC v. Casa Maria Apartments**

**San Diego Municipal Court Case Filed 1/30/98, Case No. not available**

**This item was taken as Informational only. No action was taken.**

- (dd) SDHC v. Mexfront Border Investments, Inc.  
San Diego Municipal Court Case Filed 1/30/98, Case No. not available**

**This item was taken as Informational only. No action was taken.**

- (ee) SDHC v. Floyd Strong; Ken Fredercik Realty, Inc.  
San Diego Municipal Court Case Filed 1/30/98, Case No. not available**

**This item was taken as Informational only. No action was taken.**

- (ff) San Diego Housing Commission, a public agency vs. Park Haven Apartments No. 1, a California general partnership; Parkhaven Apartments No. 2, a California general partnership; Park Haven Apartments No. 3, a California general partnership; Park Haven Apartments No. 1, Ltd., a California limited partnership; John B. Walsh, an individual; Elden E. Vanover, an individual; Joe Rosa, an individual; Diedrich & Vanover, a general partnership; Trabajadores de la Raza, Inc. dba Casa Familiar, a California nonprofit public benefit corporation; and Does 1-50, inclusive  
San Diego Superior Court Case No.:**

**71282  
7**

**This item was taken as Informational only. No Action was taken.**

- (gg) Melvin Shapiro v. City of San Diego; San Diego Housing Commission  
San Diego Superior Court Case No.:**

**71498  
1**

**By a vote of 5-0, with Oxberry being absent, direction was given to counsel.**

- (hh) San Diego Housing Commission, a public agency vs. Creekside Villa Apartments, a California limited partnership; Barbara Barsky, an individual; Morley Barsky, an individual; Richard Kuebler, an individual; John B. Walsh, an individual; Trabajadores de la Raza, Inc., dba Casa Familiar, a California nonprofit public benefit corporation; and Does 1-50, inclusive**

**San Diego Superior Court Case No.:**

**71282  
8**

**This item was taken as Informational only. No action was taken.**

- (ii) San Diego Housing Commission, a public agency vs. Ward Richard Hanigan, Trustee of the Central Avenue Trust UDT 2/6/90; Central Avenue Trust UDT 2/6/90, and Does 1-20 inclusive**  
**San Diego Superior Court Case No.:**

**70969  
9**

**This item was taken as Informational only. No action was taken.**

- (jj) San Diego Housing Commission, a public entity; Housing Authority of the City of San Diego, a public entity v. State of California, a governmental entity; California Department of Transportation, a department of the State of California, and Does 1-50, inclusive**  
**San Diego Superior Court Case No.:**

**70515  
7**

**By a vote of 5-0, with Oxberry being absent, parameters for settlement were given to Counsel.**

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

- (a) More than (1) matter.**

**This item was taken as Informational only. No action was taken.**

**ADJOURNMENT**

Chair Arthur adjourned the meeting at 11:38 a.m.

Respectfully submitted,

Rob Albrecht  
Administrative Assistant

**Signature on File with  
Original Document**

Approved by,

Elizabeth C. Morris  
Executive Director

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