



Good Neighbors

San Diego
Housing Commission

MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE SPECIAL MEETING
MAY 4, 1998**

**SAN DIEGO HOUSING COMMISSION
1625 NEWTON AVENUE, SOLOMON CONFERENCE ROOM
SAN DIEGO, CALIFORNIA**

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

10 CALL TO ORDER

Chair Arthur called the meeting to order at 11:10 a.m.

20 PUBLIC COMMENT

Mr. Mel Shapiro voiced his complaint that the recently produced Program Progress Report is too short, and disputed the accuracy of the figures in the report representing the number of rental development completions and starts.

Ms. Morris offered to meet with Mr. Shapiro to review the numbers.

30 COMMISSIONER COMMENTS

Commissioner Dick requested that a report on these figures be prepared. Commissioner Oxberry supported this request.

40 REPORT BY THE EXECUTIVE DIRECTOR

None.

50 APPROVAL OF THE MINUTES

No minutes were presented at this time.

ADOPTION AGENDA - ACTION AGENDA

100 HCR98-052 - Proposed Fiscal Year 1999 Budget

Ms. Morris stated that the budget had been presented to the Board at the last meeting, and that this special meeting had been called for further discussion.

Mr. Shapiro raised questions concerning the Continuing Appropriations reported in the budget. He noted that there were a couple items for funding that involved the San Diego Urban League, and questioned Chairman Arthur's (Executive Director of the Urban League) participation in decisions regarding this funding. He also called attention to funds committed to the homeless that are unspent, and argued that funds committed to vendors should be listed by actual vendor and not by category.

Mr. Shapiro asked when the three reports on consultant findings regarding the Class & Compensation study, and the Section 8 and Loan Management programs will be made public. He also spoke in advocacy of more funds being directed to serve families with extremely low incomes.

Commissioners Oxberry and Dick asked for clarification on issues raised by Mr. Shapiro.

Regarding the pending consultant reports, Ms. Morris stated that the Class & Compensation Report should appear on the next agenda, the Loan Management Report is in final stages of preparation, and the Section 8 Report is still forthcoming from the consultant. This report should be ready before the fiscal year begins, and then will then require an extensive implementation process.

Commissioner Dick opened discussion of the Continuing Appropriations issue, and Ms. Morris clarified the budget process:

Each year the budget document is prepared in February, planning for a fiscal year beginning July 1. Estimates are made of what funds will be under contract at the end of the fiscal year. Funds are appropriated and during the course of the year, the Board makes decisions about what specific activities to sponsor. Some funds are allocated upon appropriation for a specific contract, some are available for deployment at the discretion of the Commission. At the end of the year, it is determined how many of the nonspecific appropriations actually came to fruition, and any discrepancies in these estimations -- any funds that were not formally contracted for -- are put back into the budget and carried over to the next fiscal

year. There are also funds that are committed, but not yet spent. The former are referred to as "carry-over funds," the latter as "continuing appropriations."

Ms. Morris explained further that the Continuing Appropriations reflect multi-year contracts entered into in prior years, which are still being spent out. They are monies that are either committed to specific purposes, or not yet committed but earmarked for a particular purpose, to be spent during the year. As Mr. Shapiro pointed out, there are some continuing appropriations which go back as far as 1992, representing funds that were contracted to community-based organizations at that time and are continuing to provide the services contracted for. There are also funds which are committed to development, acquisition, or rehabilitation projects which might not be completed for years. These funds roll forward until they are spent out on the projects to which they were originally committed.

When the budget is brought to the Board for approval, the *carry-over funds* are included in the budget total, the *continuing appropriations* are not. The continuing appropriations are shown in the budget document for information only as funds that will continue to be spent, but are not available to go through the budgeting process again.

Mr. Dick suggested that the budget reflect the difference between funds that are *actual* appropriations that will continue forward, and *planned* appropriations. Ms. Morris pointed out that the quarterly budget status reports do reflect for the current fiscal year a) what the budgeted amount was, b) what the contractual obligations or expenditures are, c) what the commitments are, and d) the remaining balance available. This report enables the Board to make modifications during the year, moving funds from one program to another. Mr. Dick asked that future budgets illustrate more clearly the breakdown of types of continuing appropriations.

Mr. Dick pointed out that there are some funds earmarked for specific purposes that must be spent in a set timeframe or are lost back to their source. He asked how successful the Commission is at deploying these funds. Ms. Morris reported that the Commission has not lost funds because they were not committed in time.

Mr. Dick asked for clarification on the portion of the budget which identifies funds set aside for salary increases, wanting to know if these salary increases covered all levels of staffing, and if these increases were subject to approval by the Board. Ms. Morris answered that this figure did represent all salary increases, which are subject to Board approval, with the exception of step increases committed by personnel policies and the MOU with the Union.

Mr. Dick expressed his belief that although Mr. Shapiro may not agree with the decisions and priorities of the Commission, his criticisms of the budget document should be taken into consideration with the comments of the Board in the effort to make future documents even more accurate and reflective of actual results. Mr. Dick repeated his desire to see the specific objectives stated in the budget formally reviewed to see how well they are being carried out. Ms. Morris stated that such a report card of FY98's objectives will be brought to the Commission for review and discussion.

Mr. Dick complemented staff on the preparation of the budget and expressed his appreciation for the activity-based format and easily understandable approach to a very complicated document. He stated that with the realization of the very broad mandate given, the Commission must constantly balance and make judgments between various interest groups and categories of beneficiaries. Mr. Dick affirmed his belief that the FY1999 Budget well represents that effort and the priorities of the Housing Commission.

Chairman Arthur expressed his desire to see the members of the Board be more proactive in personally seeking out the needs of the various groups in the community who could benefit from the Commission's recommendations.

Commissioner Dick questioned the delegation of authority issues included in the recommendation, and suggested increases in the levels, seeking a broader mandate of authority from the Housing Authority.

MOTION MADE BY COMMISSIONER OXBERRY TO RECOMMEND THAT THE HOUSING AUTHORITY ADOPT THE FISCAL YEAR 1999 BUDGET AS PROPOSED, AND THAT THE HOUSING AUTHORITY CONTINUE TO DELEGATE AUTHORITY TO THE HOUSING COMMISSION TO AMEND THE FY99 BUDGET, CONSISTENT WITH THE POLICIES, PROGRAMS AND ACTIVITIES APPROVED BY THE HOUSING AUTHORITY, REGARDING:

- A) ADDITION OF ANY UNPROJECTED FUNDS NOT TO EXCEED **\$250,000** WHICH ARE MADE AVAILABLE DURING THE COURSE OF THE YEAR;
- B) TRANSFER OF FUNDS OF LESS THAN **\$500,000** AMONG LINE ITEMS WITHIN THE FY99 BUDGET THAT DO NOT IMPACT THE OVERALL SIZE OF THE AGENCY'S ANNUAL BUDGET;
- C) ADDITION OF FUNDING RESULTING FROM APPLICATION SUBMITTED WITH THE APPROVAL OF THE HOUSING AUTHORITY;

AND TO CONTINUE TO DELEGATE LIMITED AUTHORITY TO THE EXECUTIVE DIRECTOR TO AMEND THE FY99 BUDGET, CONSISTENT WITH THE POLICIES, PROGRAMS AND ACTIVITIES APPROVED BY THE HOUSING AUTHORITY, BY:

- A) ADDITION OF FUNDS RESULTING FROM APPLICATIONS SUBMITTED WITH THE APPROVAL OF THE HOUSING COMMISSION;
- B) ADDITION OF UP TO \$50,000 AVAILABLE FROM OTHER SOURCES;
- C) TRANSFER OF FUNDS OF LESS THAN \$50,000 AMONG LINE ITEMS WITHIN THE FY99 BUDGET THAT DO NOT IMPACT THE OVERALL SIZE OF THE AGENCY'S ANNUAL BUDGET.

MOTION SECONDED BY COMMISSIONER TUMMINIA, AND CARRIED ON A VOTE OF 4-0, WITH COMMISSIONER MACIAS BEING ABSENT.

In answer to Mr. Shapiro's question regarding the propriety of Mr. Arthur's participation in actions which affect the San Diego Urban League, General Counsel Chuck Christensen stated that the actions that were taken in connection with the Urban League were taken in a year prior to the date that the Chair had any interest whatsoever as an officer of a 501C nonprofit, and because no action is being taken on that contract, and because this action is advisory and the matter is now been set forth within the minutes of this meeting, there is no conflict of interest.

CLOSED SESSION

- 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. Ward Richard Hanigan, Trustee of the Central Avenue UDT 2/6/90; Central Avenue Trust UDT 2/6/90, and Does 1 through 20, inclusive
San Diego Superior Court Case No.: 709699

INSTRUCTIONS GIVEN TO COUNSEL BY A VOTE OF 4-0, WITH MACIAS BEING ABSENT.

- II. Conference with Labor Negotiator - pursuant to Government Code Section 54957.6:
 - Agency Negotiator: Elizabeth Morris and/or Ron Novello for the San Diego Housing Commission
 - Employee Organization: Social Services Union, Local 535, SEIU, AFL-CIO

NO ACTION TAKEN.

ADJOURNMENT

Chair Arthur adjourned the meeting at 12:45 p.m.

Respectfully submitted,

Margaret Hill
Executive Secretary

**Signature Available With
Original Document**

Approved by,

Elizabeth C. Morris
Executive Director