



Good Neighbors

San Diego  
Housing Commission

- 1625 Newton Avenue
- San Diego, California 92113-1038
- 619/231 9400
- FAX: 619/544 9193

# AGENDA

AGENDA 409

**REVISED: Item 110, pg. 6  
(Fiscal Impact)**

**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.

**SAN DIEGO HOUSING COMMISSION  
AGENDA FOR THE REGULAR MEETING  
CITY ADMINISTRATION BUILDING  
AUGUST 31,1998  
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 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 EXECUTIVE DIRECTOR**

**50 APPROVAL OF THE MINUTES**

Minutes of the August 10, 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 HCR98-107-Comprehensive Grant Annual Statement/Performance and Evaluation Report (Citywide)**

Recommendation: That the Housing Commission approve and authorize submission to the U.S. Department of Housing and Urban Development (HUD) of the Annual Statement/Performance and Evaluation Report as required by HUD.

Previous Related Action(s): On August 19, 1996, and September 22, 1997, the Housing Commission approved and authorized the submission of the Comprehensive Grant Annual Statement/Performance and Evaluation Report to HUD.

**101 HCR98-100 - Revision to Conflict of Interest Code Policy**

Recommendation: That the Housing Commission recommend Housing Authority approval to amend the Conflict of Interest Code Policy P0101.00 to conform with the State Government Code and City Council biennial review process and to include the Reinvestment Task Force as a Designated Position; further, to transfer responsibility for retaining original documents from City Clerk to Executive Director.

Previous Related Action(s): The Housing Commission approved revisions to the Conflict of Interest Code Policy on October 7, 1996; the Housing Authority adopted the Policy on November 26, 1996.

**102 HCR98-109 - Pension Plan**

Recommendation: That the Housing Commission approve and recommend Housing Authority adoptions of the amended San Diego Housing Commission Pension Plan Document to: 1) delete definitions of "Highly Compensated Employee" and "Non-Highly Compensated Employee" to comply with the Tax Payer Relief Act of 1997, 2) delete provisions for after-tax voluntary contribution testing and non-compliance limits for "Highly Compensated Employees" no longer applicable, 3) incorporate the provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994, 4) modify the definition of "Earnings", 5) modify the definition of "Compensation", 6) add language to eliminate combined plan contributions and benefit limits, and 7) modify Plan to permit payment of small benefits, up to \$5,000 due a terminated participant.

Fiscal Impact: Employer contributions of approximately \$8,500 resulting from modification of earnings definition are contained within the FY99 budget.

Previous Related Action(s): In 1979, an IRS approved defined contribution pension plan was established to provide tax qualified retirement benefits to covered employees. The plan was last amended in June of 1997.

**103 HCR98-116 - FY98 Public Housing Management Assessment Program (Citywide)**

Recommendation: That the Housing Commission approve resolution and authorize the Chairperson to execute a Public Housing Assessment Certification and submit the Certificate to the HUD-Los Angeles office by August 31, 1998.

Previous Related Action(s): The Housing Commission has approved submission of a Public Housing Management Assessment Certification annually since 1992, most recently on September 8, 1997, for FY97.

**104 HCR98-104 - Bond Issuance for Lancaster manor Apartments (District 8)**

Recommendation: That the Housing Commission recommend that the City Council hold a public hearing ("TEFRA" hearing) and approve the proposed issuance of up to \$16 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 248-unit Lancaster Manor Apartments located at 1551 Saturn Boulevard by Steadfast LMA, LLC.

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.

Housing Affordability Impact: The proposed bond financing would preserve 150 two-bedroom units and 36 three-bedroom units for occupancy by low-income tenants earning 60 percent or less of the area median income (\$30,500 for a family of four) at rents restricted at the corresponding affordability level for the greater of 30 years or so long as the bonds are outstanding. The restricted rents would also apply if the units are occupied by Section 8 tenants. The developer anticipates that there will be no relocation of existing tenants in connection with the project's new affordability provisions. The project's proposed rents are shown in the report.

**105 Using Remaining HUD Public Housing Development Funds for Modernization Activities at Various Public Housing Sites (Citywide)**

Recommendation: That the Housing Commission prevent recapture by HUD of development funds surplus to the acquisition projects for which they were originally made available and convert the funds to other public housing uses, by recommending that the Housing Authority adopt a resolution in support of using remaining Public Housing Development funds to make improvements to scattered public housing sites and amend the Housing Commission's FY99 Budget to incorporate these funds.

Fiscal Impact: Approval by HUD would make available a total of \$1,071,355.03 for Housing Services, Construction Services Activity, Extraordinary Maintenance.

Affordable Housing Impact: Approval of this action would allow the Commission to make improvements to 209 existing public housing units on 28 scattered sites. All units are occupied by extremely low income families.

Previous Related Action(s): The projects which generated these funds were previously approved by the Housing Commission and Housing Authority for acquisition under the HUD Public Housing Acquisition program between the years of 1992 and 1994.

**106 HCR98-108 - Award of Construction Contract for Roofing and Various Other Improvements at 7777 Belden Street (District 5)**

Recommendation: That the Housing Commission recommend the Housing Authority approve the award of contract in the amount of \$336,482 with a ten percent contingency (\$33,648) to address potential change orders for items not anticipated and identified in the original scope of work, to Stricker Roofing, Inc. dba Stricker Organization, and authorize the Executive Director to execute the contract and expend the contingency.

Fiscal Impact: Funding for this contract is contained in the Comprehensive Grant CA 16-PO63-705 budget. No local funds are required.

**107 HCR98-111 - Authorization to Renew Lease of Maintenance Facility (District 2)**

Recommendation: That the Housing Commission authorize the Executive Director to execute a five-year lease renewal effective February 1, 1999 for 13,500 square feet of centrally located office/warehouse space within approved budget authority.

Fiscal Impact: Estimated cost for the proposed space is \$8,100 per month for the first year. In addition, this lease includes a Triple Net fee not to exceed \$.17/SqFt/Mo during year one, and \$.20/SqFt/Mo during years 2-5. The total cost during this five-year period would be \$526,467, plus Triple Net.

**108 HCR98-077 - Occupancy Restrictions for Selected Affordable Housing Developments Financed Through Use of Tax Credits (Citywide)**

Recommendation: That the Housing Commission adopt a practice that utilizes State Tax Credit Allocation Committee (TCAC) guidelines which maintain restricted rents but allow household incomes to rise up to 140 percent of initial income restrictions. It is further recommended that staff return to the Board in no more than two years to report on the impact of the recommended change in practice.

Affordable Housing Impact: An, as yet, undetermined number of units which would otherwise become available for occupancy by "new" households earning below initial income restrictions could remain occupied by current residents with higher incomes.

**109 HCR98-078 - Report from David Paul Rosen & Associates (DRA) Regarding Lending Practices and Portfolio Management Practices (Citywide)**

Recommendation: That the Housing Commission receive DRA's written report and oral presentation, discuss the report, and authorize the Executive Director to proceed as described in Attachment 2 of this report.

Fiscal Impact: No direct impact with this action; however, implementation of consultant recommendations concerning loan underwriting and portfolio management procedures are expected to reduce the probability of future losses due to loan defaults and resulting foreclosure actions. The cost of the study (\$54,000) was paid with FY97 savings and FY98 budgeted funds.

Previous Related Action(s): On September 8, 1997, the Housing Commission authorized the Executive Director to execute an agreement with DRA to provide consultant services related to improving loan processing and management of the Agency portfolio.

**110 HCR98-071-Loan to HOPE CDC for the Acquisition and Rehabilitation of 303 47th Street (District 4)**

Recommendation: That the Housing Commission accept the Loan Committee's recommendation to authorize a 3-percent 30-year amortizing first trust deed of \$135,000, and a 3-percent residual receipts second trust deed of \$90,082, to HOPE CDC, upon the following conditions:

1. That the organization amend its bylaws to require a minimum quorum of four Directors to conduct official business; and
2. That audited financial statements be required as a condition of loan funding.

Fiscal Impact: Approval of this recommendation would result in the expenditure of a maximum of \$225,082 of HOME funds.

Affordable Housing Impact: Approval of the recommendation will make 2 three-bedroom units and 1 four-bedroom units affordable to families with incomes at or below 45 percent of area median income. Initial rents will average approximately 25 percent below market. Occupancy of the units will be restricted to families earning 50 percent or less of area median income.

**111 HCR98-Implementation of Classification and Compensation Plan, Memorandum Of Understanding, and Personnel Policies**

Recommendation: That the Housing Commission 1) approve the proposed implementation of the classification and compensation plan prepared by Commission staff in consultation with employees and their bargaining representatives; 2) approve a revision to the union-negotiated Memorandum of Understanding (MOU) with Service Employees International Union, Local 535, and salary and benefit changes impacting represented employees effective October 1, 1998, and classification and compensation study implementation revisions effective January 1, 1999; and 3) approve salary and benefit changes for nonrepresented employees consistent with the proposed Memorandum of Understanding for represented employees and revise Personnel Policies consistent with the proposed classification and compensation implementation report.

Fiscal Impact: There is an estimated implementation cost of \$350,000 in FY99 which is provided within the FY99 Budget. After a three-year phase in of costs, the annual cost is estimated at \$550,000 to \$600,000 per year.

Previous Related Action(s): On June 1, 1998, the Housing Commission received the Classification and Compensation Study report prepared by Reward Strategy Group (RSG) Inc., and authorized the Executive Director to develop a proposed implementation plan and report back within 90 days.

## **CLOSED SESSION**

It is anticipated that the San Diego Housing Commission will recess on Monday, August 31, 1998 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) Melvin Shapiro v. San Diego Housing Commission  
San Diego Superior Court Case No.: 714975
  - (b) 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 Hae Apartments No. 1 Ltd., a California limited partnership; John B. Walsh, an individual; Elden E. Vanover, an individual; Joe Rosa, an individual; Diedrick & 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.: 712827
  - (c) Remi Bereola v. San Diego Housing Commission  
San Diego Municipal Court Case No. 602377
  - (d) Marivel Miranda v. San Diego Housing Commission  
San Diego Superior Court Case No. 722682
  - (e) Camille London Reems v. San Diego Housing Commission  
San Diego Superior Court Case No.: 719138
- 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:

<u>Property:</u>	Skyline/Woodman (vacant property owned by SDHC)
<u>Negotiating Parties:</u>	Elizabeth Morris and Steve Snyder for the San Diego Housing Commission; and William Jones for Woodman Estates, LLC, whose co-developers are Patrick Property Services and Citylink Investment Corporation, for prospective purchaser.
<u>Under Negotiation:</u>	Terms and Price

IV. Adjournment of Closed Session.

V. Announcement of action taken in Closed Session.

**ADJOURNMENT**

ECM:mh