



Good Neighbors

San Diego
Housing Commission

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AGENDA

AGENDA 410

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)**.

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**SAN DIEGO HOUSING COMMISSION
AGENDA FOR THE REGULAR MEETING
CITY ADMINISTRATION BUILDING
OCTOBER 5,1998
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 September 21, 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 HCR98-123 - Continued Support of the City-County Reinvestment Task Force (Citywide)

Recommendation 1: It is recommended that the Housing Commission authorize the Executive Director to execute a Contract (Attachment 1) which provides up to \$60,264 (\$44,044 in salary and \$13,220 in benefits) for the Reinvestment Director from October 1, 1998 to June 30, 1999. Funding for the first three months of FY99 has been provided through an amendment to Mr. Bliesner's FY98 contract with the Housing Commission.

Recommendation 2: It is recommended that the Housing Commission accept funds in an amount up to \$40,000 from the County of San Diego in partial support of RTF, and authorize the Executive Director to execute, with review of General Council, documents necessary to obtain the subject funds.

Fiscal Impact: Expenditure of \$60,264 in support of the Reinvestment Task Force which is within FY99 budget parameters. In the event that the County of San Diego's funding support of the Task Force is not forthcoming, Housing Commission support would be limited to not more than \$40,000 to support City-County Reinvestment Task Force activities in FY99.

Previous Related Action(s): On August 30, 1992, The Housing Commission approved an agreement to support the Reinvestment Task Force with County assistance. This was approved by the Board of Supervisors on September 8, 1992, for a period of six months, during which time issues involving the Task Force's mission and structure were to be resolved. On March 1, 1993, the Housing Commission approved continued funding to support the Task Force in

partnership with the County of San Diego through FY93, and has done so on an annual basis since that time.

102 HCR98-128 - Application for Mortgage Credit Certificate Allocation (Citywide)

Recommendation: It is recommended that the Housing Commission recommend that the Housing Authority (1) communicate to the California Debt Limit Allocation Committee (CDLAC) the City's strong support for a larger allocation of the state's bonding authority to local MSS programs and (2) authorize an application to CDLAC: for up to a \$75,000,000 allocation of Mortgage Credit Certificates (MCCs) in FY99.

Fiscal Impact: Approval of the recommendations and concurrence by the Housing Authority would result in the expenditure of up to \$18,750 for the application fee if the application is granted and the ongoing use of an existing \$100,000 performance deposit.

103 HCR98-125 - Agreement with San Diego Funding for Processing and Underwriting Services (Citywide)

Recommendation: It is recommended that the Housing Commission authorize the Executive Director to execute an Agreement, Attachment 1, with San Diego Funding (SDF) to process and underwrite the Commission's Shared Equity Silent Second Mortgage Program loans while performing similar functions related to first mortgage loans which they fund. Commission staff would retain authority to approve loans submitted by SDF and continue to fund approved second mortgage loans.

Fiscal Impact: No direct impact with this action; however, transfer of processing and underwriting functions to SDF, and ultimately to other high performing program lenders, is expected to reduce administrative costs related to the Shared Equity Silent Second Loan Program. Financial risk is mitigated as discussed herein.

Previous Related Actions: On June 22, 1998, the Housing Commission accepted HCR98-057, "Loan Management Process Review and Improvement", which included a recommendation regarding a limited transfer of processing and underwriting functions to program lenders. On August 31, 1998, the Housing Commission accepted HCR98-112, "Report From David Rosen & Associates (DRA) Regarding Lending Practices and Portfolio Management Procedures", which supported such a transfer of responsibilities.

104 HCR98-075 - Award of Contract for Banking Services (Citywide)

Recommendation: That the Housing Commission recommend award of a five-year contract (Attachment 2), effective December 1, 1998, through November 30, 2003, to Bank of America, for banking services for Its deposit, disbursement and cash management services.

Fiscal Impact: The estimated cost for banking services is \$5300 per month, based on fixed pricing for the first three and a half years of the contract. Potential pricing increase in the last year and a half of the contract, commensurate with any increase in the cost of living, is not to exceed five percent per year. Bank of America will provide a \$2500 allowance to assist the Housing Commission with conversion cost. They will also waive the first month of analysis.

The cost of banking services is not a direct expenditure, but an offset to earnings credits on cash balances.

Previous Related Action(s): (This item was continued from the meeting of September 21, 1998.) The Board of Commissioners approved the award of a five-year contract for banking services for the period November 1, 1993, through July 31, 1998, with Union Bank at the October 4, 1993 meeting (Report No. 93-271). On July 27, 1998, the Union Bank contract was extended until November 30, 1998, to allow time for the potential transition of banking services to a new bank.

105 HCR98-127 - Trustee's Sale - 5510 DREAM STREET (Council District 4)

Recommendation: It is recommended that the Trustee's Sale proceed without Housing Commission participation.

Fiscal Impact: Lack of Housing Commission participation will result in the loss of the \$197,418 in rental rehabilitation loan funds and expenses incurred to date. Staff and General Counsel will evaluate the possibility of recovering some of the funds lost by filing a complaint for an deficiency judgment, as a "sold-out" junior lienholder, under Code of Civil Procedures Section 580d.

Previously Related Action(s): On November 14, 1994, the Housing Commission adopted the amended policy on Housing Commission Loan Defaults, Foreclosures and Disposition of Property Acquired (Policy No. 600.103). On May 13, 1996, the Housing Commission approved the modification to the rehabilitation loan terms and conditions.

106 Loan to South Bay Community Services for the Acquisition and Rehabilitation of 135 Averil Road (Council District 8)

Recommendation: That the Housing Commission recommend Housing Authority approval of a loan to South Bay Community Services of up to \$630,700 to be utilized in conjunction with the Housing Opportunities for Persons With Aids (HOPWA) grant in the amount of \$600,000 and the \$220,000 HOME Program funds which have previously been approved by the County of San Diego for the acquisition and rehabilitation of a 25-unit property located at 135 Averil Road.

Fiscal Impact: The expenditure of up to \$630,700 in Housing Commission funds, with a loan-to-value ratio of 75 percent, leveraging \$1,255,000 in private and County funds.

Previous Related Action: The Loan Committee recommended Housing Commission approval of a loan of \$630,700 for this project on September 22, 1998.

107 \$1,200,370 Development Loan to 33rd Street Family Housing Limited Partnership (33rd Street LIP) for New Construction of Rental Housing (Council District 8)

Recommendation: That the Housing Commission recommend Housing Authority approval of the Loan Committee recommendation to provide financing to the 33rd Street LP for the development of a forty-unit new construction project located at 351-403 South 33rd Street.

Fiscal Impact: The expenditure of up to \$1,200,370 in HOME funds.

Previous Related Actions: The Loan Committee approved a loan of \$697,267 for this project on March 23, 1998, and subsequently approved an increase in the loan to \$1,200,370 on September 22, 1998.

108 Annual Report (Citywide)

Recommendation: That the Housing Commission receive and discuss the Annual Report.

Fiscal Impact: None.

CLOSED SESSION

It is anticipated that the San Diego Housing Commission will recess on Monday, October 5, 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) 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: 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
 - (b) San Diego Housing Commission, a public agency v. John Baranski. an individual, and Does 1 through 50, inclusive
San Diego Municipal Court Case No. 603081
 - (c) San Die-go Housing Commission, a public agency v. Olivewood Garden Apartments, an unknown entity: and Does 1-50, inclusive
San Diego Municipal Court Case No. 589118
 - (d) Mildred J. Tanner v. San Diego Housing Commission, a public corporation
San Diego Superior Court Case No. 723725
 - (e) Melvin Shapiro v. San Diego Housing Commission
San Diego Superior Court Case No. 714975
- 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 Pat Getzel 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. |

Under Negotiation:

Terms and Price

IV. Adjournment of Closed Session.

V. Announcement of action taken in Closed Session.

ADJOURNMENT

ECM:mh