



MINUTES

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

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

10 CALL TO ORDER

Chair Arthur called the meeting to order at 9:15 a.m.

20 PUBLIC COMMENT

None

30 COMMISSIONER COMMENTS

None

40 REPORT BY THE EXECUTIVE DIRECTOR

None.

50 APPROVAL OF THE MINUTES

MOTION MADE BY COMMISSIONER TUMMINIA TO APPROVE THE MINUTES OF OCTOBER 26, 1998.
MOTION SECONDED BY COMMISSIONER OXBERRY AND CARRIED ON UNANIMOUS VOTE OF 4-0,
WITH COMMISSIONERS DICK, HILLS, AND STEINKE BEING ABSENT.

ADOPTION AGENDA - CONSENT

MOTION MADE BY COMMISSIONER GRINCHUK TO APPROVE THE FOLLOWING ITEM ON CONSENT:

101 HCR98-145 - Modification of the Rental Property Rehabilitation Program (Targeted - Council Districts 2, 3, 4, 5, 6, 7, 8)

RECOMMENDATION: THAT THE HOUSING COMMISSION RECOMMEND HOUSING AUTHORITY APPROVAL OF THE MODIFICATION OF THE RENTAL PROPERTY REHABILITATION PROGRAM.

MOTION SECONDED BY COMMISSIONER TUMMINIA AND CARRIED ON UNANIMOUS VOTE OF 4-0, WITH COMMISSIONER DICK , HILLS, AND STEINKE BEING ABSENT.

ADOPTION AGENDA - ACTION AGENDA

100 HCR-98-150 - Extension of Contract for Banking Services

No staff report was required. Commissioner Oxberry requested clarification as to why an extension was necessary. Controller Jane Adams explained that the bank requires sixty to ninety days to transfer the contract.

Commissioner Oxberry asked for assurance that fees would only be paid to one bank during the transition. Ms. Adams confirmed that Bank of America would receive their fees until the transition was completed, at which time Bank of Commerce would be under contract.

MOTION MADE BY COMMISSIONER OXBERRY TO AUTHORIZE THE EXECUTIVE DIRECTOR TO EXTEND THE CURRENT BANKING SERVICES CONTRACT THROUGH FEBRUARY 28, 1999, IN ORDER TO ALLOW THE NECESSARY TIME FOR TRANSITION OF BANKING SERVICES FROM UNION BANK TO BANK OF COMMERCE.

MOTION SECONDED BY COMMISSIONER TUMMINIA AND CARRIED ON UNANIMOUS VOTE OF 4-0, WITH COMMISSIONERS DICK, HILLS, AND STEINKE BEING ABSENT.

102 HCR98-153 - Contracts for Community WORKs Program (Council Districts 3, 4, 8)

Staff report was presented by Deputy Executive Director Pat Duplechan, with Assistant Program Manager Patti Zattarian-Menard and Senior Resident Initiatives Coordinator Vicki Opeodu on hand for questions. Ms. Duplechan gave a brief overview of the Housing Commission's role as contract fiscal monitor for the Program.

Commissioner Grinchuk expressed his concern that the contracts be performance-based. Ms. Zattarian-Menard confirmed that if a partner failed to perform, funds would be stopped and redistributed. Counsel Chuck Christensen pointed out a special provision in the contract for its reduction or termination.

Ms. Morris added that in its capacity as contract monitor, the Commission would be in the position to see that services are integrated and available to the Commission's residents, as well as other members of the community.

MOTION MADE BY COMMISSIONER OXBERRY TO AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE CONTRACT AGREEMENTS WITH FIVE OF THE SIX COLLABORATIVE PARTNERS FUNDED BY THE GOVERNOR'S 15% SPECIAL PROJECT FUNDS IN THE COMMUNITYWORKS PROGRAM.

MOTION SECONDED BY COMMISSIONER GRINCHUK AND CARRIED ON A UNANIMOUS VOTE OF 4-0, WITH COMMISSIONERS DICK, HILLS, AND STEINKE BEING ABSENT.

103 HCR98-154 - Welfare-to-Work Collaboration Grant (Council Districts 3, 4, 8)

RECOMMENDATION: THAT THE HOUSING COMMISSION RATIFY THE RECENT SUBMISSION OF A GRANT APPLICATION FOR \$2,325,000 TO THE SAN DIEGO WORKFORCE PARTNERSHIP FOR FUNDING FOR WELFARE-TO-WORK PROGRAMS FOR RESIDENTS OF ASSISTED HOUSING AND ACCEPT THE GRANT, AS LEAD AGENCY IN COLLABORATION WITH FIVE COMMUNITY-BASED ORGANIZATIONS.

Chair Arthur asked the Executive Director how this item compares with the previous item. Ms. Morris explained that they are similar in that the Housing Commission is acting as contract monitor to coordinate job training programs for residents. Ms. Morris clarified that the grant award for the previous item had already been accepted by the Board, and at this point was being brought forward for contract authorization and actual distribution of funds. The current item, the Welfare-to-Work Collaboration Grant, was still at the stage of requesting acceptance of the grant award, and would return to the following meeting for contract/implementation approval.

Chair Arthur asked how the contract partners were selected. Ms. Morris stated that a network of service providers from the community was invited and that the funds were distributed among those who wished and were capable of participating. Ms. Zattarian-Menard added that the partners in the CommunityWORKS are also partners in the "I CAN" partnership, expanding the range of services.

Chair Arthur stated that he felt his affiliation with the Urban League, one of the partners in the collaboration, made his participation in a vote inappropriate, and asked that this item be continued to the next meeting.

Commissioner Grinchuk asked for clarification on the Community Advocates, as referenced in the report. Ms. Zattarian-Menard defined them as case management and career planning specialists, on the payroll of the grant recipient.

THIS ITEM WILL BE CONTINUED TO THE NEXT MEETING DUE TO THE CHAIR'S ABSTENTION AND SUBSEQUENT LACK OF QUORUM FOR VOTE.

104 HCR98-134 - Loan to Greater Golden Hill Community Development Corporation for Acquisition and Rehabilitation of Two Units at 1825-1827 Felton street (District 3)

Staff report was delivered by Program Manager Pat Getzel, seeking approval of a loan of \$187,410 in HOME funds to Greater Golden Hill Community Development Corporation (GGHCDC) for the acquisition and rehabilitation of two units at 1825-7 Felton Street. Ms. Getzel described the GGHCDC nonprofit corporation and outlined the proposed financing for the project. The GGHCDC's director Arlene Hamlin was on hand for questions.

Commissioner Grinchuk asked for clarification of the Commission's recently established policy regarding audited financial statements. Chair Arthur said that his memory was that they would go with certified statements; Commissioner Oxberry concurred. Ms. Burrier-Lund confirmed that Commissioner Oxberry had outlined the different kinds of audits, and that staff had since reviewed the issue with consultant David Rosen, and that a policy was being created.

Commissioner Grinchuk asked how the figure for lead abatement was arrived at. Technical Services Manager Steve Snyder indicated that he thought it to be a number based on previous experience.

MOTION MADE BY COMMISSIONER GRINCHUK TO APPROVE A \$51,000 FIRST TRUST DEED LOAN AND A \$121,410 SECOND TRUST DEED RESIDUAL RECEIPTS LOAN, FOR TOTAL LOANS OF \$172,410, TO GREATER GOLDEN HILL COMMUNITY

DEVELOPMENT CORPORATION (GGHCDC) TO ACQUIRE AND REHABILITATE A 2-UNIT PROPERTY LOCATED AT 1825-27 FELTON STREET, AND TO APPROVE A REVOCABLE GRANT OF UP TO \$15,000 TO ABATE OR CONTAIN LEAD-BASED PAINT IN THIS PROJECT.

MOTION SECONDED BY COMMISSIONER TUMMINIA AND CARRIED ON A UNANIMOUS VOTE OF 4-0, WITH COMMISSIONERS DICK AND HILLS, AND STEINKE BEING ABSENT.

105 HCR98-135 - Rehabilitation Loan - 142 24th Street (Council District 8)

No staff report was required. Loan Manager Steve Mikelman and rehabilitation specialist Lorenzo Townsend came forward for questions.

Commissioner Grinchuk asked if this kind of renovation for a private citizen had been done before. Mr. Mikelman affirmed that the Commission has a long-standing history of making this type of loan.

Chair Arthur asked about the loan recipient's ability to repay the loan. Ms. Morris stated that the loan payments had been tailored to the recipient's ability to pay, and was well secured.

Commissioner Grinchuk asked for assurance that there was provision for lead abatement in the subject property, which was built in 1912. Mr. Mikelman responded that the building would be completely gutted, but that prudent cautions are taken as standard practice.

Chair Arthur opened discussion of the Housing Commission's charge and choice to do this type of loan. Ms. Morris stated that the Housing Commission offers a program to provide rehabilitation financing and technical assistance to low-income owner-occupants of housing in our community. The loan guidelines determine qualifications and loan levels for approval. Ms. Morris supported the recommendation again testifying that the financing is secure, the funds are available and the rehabilitation of this property will be a contribution to the community.

Chair Arthur took the discussion further, questioning the value of rehabilitation versus demolition/construction, and the amount of money that it would be prudent to spend on a single family residence.

Mr. Mikelman contended that the Housing Rehabilitation funding source is designated for rehabilitation, not demolition or construction, and that this project well serves the program's goals to both preserve housing stock in the community, and assist low-income homeowners.

Commissioner Oxberry spoke in favor of this type of loan citing its consistency with neighborhood redevelopment and stabilization goals as well as its good loan to value ratio. Mr. Oxberry stated that he thought this would be money well spent.

MOTION MADE BY COMMISSIONER OXBERRY TO CONCUR WITH RECOMMENDATION OF THE LOAN COMMITTEE TO AUTHORIZE A REHABILITATION LOAN OF \$65,000 IN ORDER TO ELIMINATE A NEIGHBORHOOD EYESORE AND TO COMPLY WITH THE CITY OF SAN DIEGO CODE COMPLIANCE AND HOUSING QUALITY STANDARDS.

MOTION SECONDED BY COMMISSIONER TUMMINIA AND CARRIED ON UNANIMOUS VOTE OF 4-0, WITH COMMISSIONERS DICK, HILLS, AND STEINKE BEING ABSENT.

CLOSED SESSION

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

(a) Hidden Valley Construction v. San Diego Housing Authority
San Diego Superior Court Case No. 704467

NO ACTION TAKEN.

(b) San Diego Housing Commission, a public agency v. Reed Dyar Partnership, a general partnership; J. Michael Reed, individually and dba Reed Dyar Partnership; Robert Dyar, individually and dba Reed Dyar Partnership and Does 1-50, inclusive
San Diego Municipal Court Case No.: 603472

BY A VOTE OF 4-0, WITH COMMISSIONERS DICK, HILLS, AND STEINKE BEING ABSENT, THE COMMISSION VOTED TO APPROVE SETTLEMENT.

(c) 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 Appeal Case No.: D027060

NO ACTION WAS TAKEN.

- (d) San Diego Housing Commission, a public agency v. Fisher-Webber Property Management, Inc., a California corporation; and Does 1-50, inclusive
San Diego Municipal Court Case No.: 600401

BY A VOTE OF 4-0, WITH COMMISSIONERS DICK, HILLS, AND STEINKE BEING ABSENT, COMMISSIONERS VOTED TO GIVE DIRECTIONS TO COUNSEL REGARDING SETTLEMENT OF LITIGATION.

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

- (a) More than (1) matter.

NO ACTION TAKEN.

- 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: Neal Arthur, 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

BY A VOTE OF 4-0, WITH COMMISSIONERS DICK, HILLS, AND
STEINKE BEING ABSENT, THE COMMISSION GAVE AUTHORITY TO
THE NEGOTIATOR REGARDING RESOLUTION OF THIS MATTER.

- IV. Adjournment of Closed Session.
- V. Announcement of action taken in Closed Session.

ADJOURNMENT

Chair Arthur adjourned the meeting at 10: a.m.

Respectfully submitted,

Approved by,

Margaret H. Hill
Executive Secretary

Elizabeth C. Morris
Executive Director

**Signature Available with
Original Document**