



SAN DIEGO HOUSING COMMISSION

AGENDA

AGENDA 375

**SAN DIEGO HOUSING COMMISSION
AGENDA FOR THE REGULAR MEETING
JANUARY 13, 1997
9:00 A.M.
CITY ADMINISTRATION BUILDING
202 C STREET, 12TH FLOOR
SAN DIEGO, CALIFORNIA**

ITEMS

- 10 **CALL TO ORDER**
(Akili, Arthur, Dick, Macias, Oxberry, Tumminia, and Nottley)

CLOSED SESSION

It is anticipated that the San Diego Housing Commission will meet at 9:00 a.m. on Monday, January 13, 1997 in Closed Session to discuss Items III a, b and c as indicated on the following agenda. It is anticipated that the San Diego Housing Commission will reconvene in Closed Session following the adjournment of the Open Session on Monday, January 13, 1997 to discuss the remaining items on the Closed Session agenda.

- I. Conference with Legal Counsel - existing litigation, pursuant to California Government Code Section 54956.9(a):
 - a. Beal Bank, S.S.B., a Texas banking corporation v. Palm Vista Apartments, a California limited partnership; Daniel H. Appel, general partner; and Does 1 through 100, inclusive
San Diego Superior Court Case No. 702683
 - b. City of San Diego v. Vargas
San Diego Superior Court Case No.: 706359
 - c. San Diego Housing Commission v. Francois Sulic
San Diego Superior Court Case No. 706292
- II. Conference with Legal Counsel - anticipated litigation, pursuant to California

Government Code Section 54956.9 (b) and/or (c):

1. One (1) matter.

PUBLIC TESTIMONY MAY BE PRESENTED BY THE PUBLIC BEFORE COMMISSION ACTS ON ITEMS III a,b and c, pursuant to Government Code Section 54956.8.

III. Conference with Real Property Negotiator - pursuant to California Government Code Section 54956.8:

- a. **Property:** 7143, 7159 and 7161 Fay Avenue
La Jolla, California 92037

Negotiating Parties: Lee Bates, Steve Mikelman and Elizabeth Morris for the San Diego Housing Commission; Samuel D. Hanson and Howard Pechet.

Under Negotiation: Price and Terms
- b. **Property:** 7143, 7159 and 7161 Fay Avenue
La Jolla, California 92037

Negotiating Parties: Lee Bates, Steve Mikelman and Elizabeth Morris for the San Diego Housing Commission; Thomas Ray Armstrong Construction, Inc., a California corporation, Michael E. Turk and Thomas Ray Armstrong.

Under Negotiation: Price and Terms
- c. **Property:** 7143, 7159 and 7161 Fay Avenue
La Jolla, California 92037

Negotiating Parties: Lee Bates, Steve Mikelman and Elizabeth Morris for the San Diego Housing Commission; Doug and Patricia Holmes

Under Negotiation: Price and Terms

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

Approval of the Minutes of December 9, 1996.

Approval of the Minutes of November 21, 1996

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 HCR97-001- Review and Approval of Revised Public Housing Lease (Citywide)

Recommendation: The Housing Commission approve the proposed Public Housing Lease (Attachment 2 to report) to conform to recent changes in programmatic rules to clarify existing language.

Fiscal Impact: No impact with this action.

101 HCR97-003 - San Diego Housing Commission 1997 Meeting Schedule (Council District 8)

Recommendation: That the Housing Commission approve a schedule of meeting dates for February 1997 (which is attached to staff report), and consider a calendar for the balance of 1997 in February.

Fiscal Impact: None

102 HCR97-004 - Housing Trust Fund Capacity Building Program: Project-Based Financial Assistance for Nonprofit Developers

Recommendation: That the Housing Commission approve implementation of this Financial Assistance Plan for Nonprofit Developers, which consists of:

- 1. Predevelopment Assistance;**
- 2. Developer's Fees;**

3. **Asset Management Fees; and**
4. **Shared Residual Receipts.**

Fiscal Impact: None with this action. However, the FY97 Housing Trust Fund Implementation Strategy includes \$400,000 for the various nonprofit capacity building activities. Of this amount, it is anticipated that the FY97 Housing Trust Fund Nonprofit Capacity Building Program (CPB) could fund six Predevelopment loans at a total cost of approximately \$300,000, repaid from the projects' permanent financing. (The balance of the Nonprofit Capacity Building funds would be available for technical assistance.)

The FY97 Housing Trust Fund budget includes \$750,000 for rental housing and \$400,000 for special needs housing. The permanent financing for most projects would include either HOME funds, Housing Trust Fund funds or both.

103 HCR97-010 - Methods for Distributing Housing Trust Fund Monies (Citywide)

Recommendation: That the Housing Commission recommend a method for distribution of Housing Trust Fund Monies for the various programs in the current Housing Trust Fund implementation Strategy and Three-year Plan based on recommendations outlined in staff report covering same.

Fiscal Impact: Recommendations 2 and 3 of the staff report would dedicate \$600,000 of previously budgeted funds to specific programs. The FY97 Housing Trust Fund Implementation Strategy which reflects planned expenditures for all Housing Trust Fund activities, is included in Attachment 1 of the report.

104 HCR97-012 - Application for FY98 Community Development Block Grant (CDBG) Funds

Recommendation: That the Housing Commission authorize the Executive Director to apply to the City for 20 percent of the City's FY98 Community Development Block Grant (CDBG) funds and to execute a contract with the City for the amount allocated to the Commission and any additional amount which the Commission may be asked to administer on the City's behalf.

Fiscal Impact: CDBG funds are an essential source for operating revenue for many of the Commission's programs and for carrying out unfunded and under-funded mandates. Although a June 25, 1996 amendment to Council Policy 700-02 established a goal of 20 percent of the City's annual CDBG entitlement "to be used for affordable housing purposes" (which, in FY98, could total \$3,690,000), it is unknown at this time how the new policy will be

interpreted and, consequently, what the Commission's allocation will be.

105 HCR97-011 - Revision to Housing Commission's FY97 Budget (Council District 3)

Recommendation 1: That the Housing Commission approve and recommend Housing Authority approval for a revision increasing the Commission's FY97 Budget by \$455,000 (\$430,000 of HOME funds and \$25,000 of local funds) of additional revenue from the Sale of Plaza Arizona condominiums, with the additional funds to be distributed as follows: \$100,000 for additional Plaza Arizona costs, as shown in Attachment 1 of the report, and \$355,000 for reserves.

Recommendation 2: That the Housing Commission approve and recommend Housing Authority approval for the Executive Director to negotiate an extension to the Commission's contract with Mesa Realty to continue Mesa's services until all Plaza Arizona condominiums are sold, but not to exceed six months.

Fiscal Impact: Approval will increase the Commission's budget by \$455,000 from \$108,364,577 to \$108,819,577, and the Plaza Arizona project budget by \$100,000 from \$4,303,381 to \$4,403,381.

106 HCR97-007 - Offer to Purchase 3979 Boston Avenue (Council District 8)

Recommendation: That the Housing Commission recommend Housing Authority authorization:

- 1. To accept the offer of \$52,000 submitted by Tracy L. Wolfe.**
- 2. To make a counter offer of \$51,000 to Pascual Talaro and, if accepted, hold as back-up in the event the primary offer does not result in purchase of the subject property.**
- 3. For the Executive Director to execute all documents necessary to complete the sale.**

Fiscal Impact: Sale of the property for \$52,000 would result in a net loss of approximately \$5,400.

107 HCR97-006 - Offer to Purchase 2904 Clay Avenue (Council District 8)

Recommendation: That the Housing Commission recommend that 1) the Housing Authority accept the offer by Jesus and Lucia Herrera of \$88,000 to purchase the property located at 2904 Clay Avenue,

- a) Provide a shared equity loan of \$16,720 to facilitate the aforementioned purchase; and
- b) Authorize the Executive Director to execute the documents necessary to complete the transaction.

Fiscal Impact: Sale of the property for \$88,000 would result in the recovery of the rehabilitation loan funds and expenses, plus a profit of approximately \$5,600.

108 HCR97-013 - Transfer of Ownership of Public Housing To Nonprofit for Tax Credit Purposes (Council Districts 6 and 7)

Recommendation: That the Housing Commission recommend that the Housing Authority authorize the transfer of ownership of two Public Housing sites (7520 Fulton and 7891 Golfcrest Drive, Attachments 1A and 1B) currently under construction to a limited partnership with the San Diego Housing Development Corporation ("SDCHC") serving as General Partner, for purposes of obtaining tax credit financing to help fund unanticipated increased construction costs.

Fiscal Impact: The opportunity to receive up to \$3 million in private investment funding, returning local funds to the Housing Commission for future use. For reviewing entities, the tax credit application fee of \$2,000 is typically waived. Consultant fees to prepare the application are estimated at \$6,000, with another \$6,000 to be paid if a preliminary reservation of tax credits is obtained. To pursue preliminary reservation of tax credits to a final reservation further fees, paid in stages, are estimated as follows: \$3,000 upon receipt of a Final Reservation of Tax Credits, \$10,000 upon receipt of a firm commitment for Syndication/Equity Funds, and \$10,000 upon receipt of the first installment payment.

109 HCR97-002 - Selection Preferences for the Section 8, Public Housing and University Canyon Waiting Lists (Citywide)

Recommendation: That the Housing Commission adopt the Waiting List Task Force's recommendation which is "Alternative 1" of the staff report.

Fiscal Impact: The actual fiscal impact is not know at this time.

110 HCR97-009 - Palm Vista Apartments (Council District 8)

Recommendation: That the Housing Commission approve actions to be taken by the Executive Director as authorized by Housing Commission in closed session to cure the first trust deed default by making a Housing

Commission third trust deed loan on the property. It is further recommended that the Housing Commission's budget be amended to reimburse the foreclosure account with HOME funds currently budgeted under the Housing Development Site Acquisition line item.

Fiscal Impact: The amount to cure the first trust deed default is approximately \$200,000. The funds necessary for the delinquency cure are from two sources: 1) up to \$100,000 from the Housing Commission's foreclosure account; and 2) approximately \$110,000 from Mr. Daniel Appel, current owner of the apartment complex.

111 HCR97-008 - Offer to Purchase 7143, 7159 and 7161 Fay Avenue (Council District 1)

Recommendation: That the Housing Commission recommend to the Housing Authority acceptance of one of three offers to purchase the 1.685 acre Fay Avenue property located in La Jolla and provide the Executive Director authority to execute an agreement to purchase, with review and approval of General Counsel.

Fiscal Impact: On May 23, 1995 the Housing Authority directed the Housing Commission to list the Fay Avenue property with a real estate agent and to recommend acceptance of such offer(s) as appropriate. The appraised value of the property is \$1.9 million. The acceptance of an offer to purchase by the Housing Authority will provide at close of escrow additional funds for the Housing Trust Fund. The net proceeds available from the sale of the property will depend upon the amount of the accepted offer less sales commissions (5%), closing costs, and other costs (approximately \$30,000) associated with obtaining a street vacation and consolidation map on the property. Reimbursement of staff costs related to sale of Fay Avenue will also be sought.

112 HCR97-005 - Approve Program Plan for Section 8 Counseling (Regional Opportunity Counseling Program).

Recommendation 1: Approve and recommend that the Housing Authority adopt the tentative program plan (Attachment 1 of report) to implement the Section 8 Housing Counseling grant under the Rental Voucher and Certificate Program.

Recommendation 2: Approve and recommend that the Housing Authority adopt the five year budget for the Section 8 Housing Counseling program (Attachment 2 of the report) and amend the agency budget to incorporate the funds for this program.

Fiscal Impact: Funding received from the U.S. Department of Housing and Urban Development (HUD), \$2,679,000, will be budgeted from January 15, 1997 through March 1, 2002. No local funds will be used.

113 HCR97-014 - FY98 Budget Issues Report

Recommendation: That the Board of Commissioners provide direction to staff on several issues for the development of the FY98 Budget.

Fiscal Impact: None with this action.

ADJOURNMENT

Attachment "A"

INFORMATION REPORTS ISSUED DURING CALENDAR 1997

<u>REPORT NO</u>	<u>REPORT NAME</u>	<u>DATE ISSUED</u>
HCR97-015	Housing Trust Fund Impact Fee Update	1-10-97
HCR96-242	Resident Services Section and Family Self Sufficiency Program	1-10-97