



SAN DIEGO HOUSING COMMISSION

MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
MARCH 10, 1997
202 C STREET, COUNCIL CHAMBERS
SAN DIEGO, CALIFORNIA**

Attendance: Present: Chairman Arthur, Commissioners Akili, Nottley, Dick, Tumminia and Oxberry. 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 9:15 a.m.

20 PUBLIC COMMENT

Mr. Mel Shapiro made the following inquiries:

- 1. As to status of 1st and 2nd Quarter Reports on Commission Assisted Units.**
- 2. As to the status of the report related to Commission Policies which was called for at the January 13, 1997 Housing Commission Meeting.**
- 3. As to when the public hearing would be held regarding the Section 8 Rent Reasonableness issue. Mr. Shapiro suggested that a portion of the \$779,000 surplus in HUD Administration Fees be used to conduct an audit of the Section 8 Program related to the overpayment issue.**

Mr. Chuck Flacks of the MAAC Project made the following comments:

- 1. Mr. Flacks believes that the process by which HOPWA funds are distributed for permanently affordable housing is flawed. Mr. Flacks plans to prepare a report for presentation to the HIV Planning Committee in two weeks. Mr. Flacks stated that it is very difficult to make a deal work when residents cannot afford to pay any or very little rent.**

2. **Mr. Flacks commented that the Housing Commission property which is located at 2909 Boston Avenue should be open to people with AIDS and/other disabilities, stating that the property is currently 90% vacant and only open to the disabled.**

Mr. Jim Keenan inquired about the \$55,000 overpayment to landlord Jack Walsh.

30 COMMISSIONER COMMENTS

Mr. Akili referred to his memo to the Commissioners of March 4, wherein he has asked for a public hearing on April 14 to discuss the rent reasonableness issue. This public hearing would take place as part of the regular Commission meeting, which is to be held on that date. Mr. Akili reiterated his commitment to work with staff.

Mr. Dick responded to Mr. Shapiro's inquiry regarding the Commission policies issue related to Town and Country. Mr. Dick indicated that he is working with staff on a report which will outline the range of authority of the Executive Director and General Counsel to modify the terms of transactions which have gone to the Housing Commission and/or Housing Authority. The Housing Commission currently does not have a policy governing this issue.

Mr. Dick also responded to Mr. Shapiro's question regarding the public hearing on the Section 8 overpayments to landlords issue. Mr. Dick indicated that the Housing Commission is awaiting the results of an extensive audit performed by HUD. Mr. Dick further commented that the April 14 date which Mr. Akili has targeted for the public hearing should be postponed if the Housing Commission has not received final results of the HUD audit by that time.

Executive Director Elizabeth Morris noted that staff has not received information from HUD indicating when this audit will be released. Ms. Morris indicated that the public hearing will be calendared once the audit is released and Commissioners have ample time to review the results.

40 REPORT BY THE EXECUTIVE DIRECTOR

Ms. Morris noted the correction of the report number for the Skyline Woodman issue from HCR96-017 to HCR97-017.

Ms. Morris reported that the HUD has extended the due date for the application of the MOVING TO WORK DEMONSTRATION PROGRAM to mid-May, enabling staff to continue with focus groups on this issue, and that the Moving to Work report will be brought to the Commission on March 24.

Ms. Morris introduced the new Deputy Director of Operations for the San Diego Housing Commission, Mr. Ron Novello. Mr. Novello replaces Ms. Carol Vaughan. Mr. Novello comes to the Commission from Orange County with 20 years of experience in operations.

Ms. Morris acknowledged Mr. Hendrick Van Wyck who is visiting the City of San Diego from Capetown, South Africa. Mr. Van Wyck is a Town Council member and is part of the Institute for a New South Africa Public Administration exchange program. Mr. Von Vick's interest is in housing and he will be spending 8 weeks in San Diego, one week of which will be spent at the Commission.

50 APPROVAL OF THE MINUTES

Approval of the Minutes of February 19 and February 24.

Ms. Tumminia indicated that the minutes recorded for February 19, 1997 erroneously noted that she was not present. Ms. Tumminia requested that it be noted for the record that she was present at the February 19 meeting.

Mr. Shapiro indicated that in the February 24 minutes' document that there was no Motion recorded for Items 100 and 101. Mr. Shapiro withdrew his comments when Mr. Dick pointed out that the Motions were included and that Mr. Shapiro had overlooked them.

MOTION BY TUMMINIA TO APPROVE MINUTES OF THE MEETING OF FEBRUARY 19, 1997 AND FEBRUARY 24, 1997.

SECOND BY AKILI.

MOTION CARRIED UNANIMOUSLY ON A 6-0 VOTE WITH MACIAS BEING ABSENT.

ADOPTION AGENDA - CONSENT

MOTION WAS MADE BY DICK TO APPROVE THE FOLLOWING ITEM ON CONSENT.

MOTION SECONDED BY AKILI.

100 HCR97-037 - Predevelopment Loan Request for The Association for Community Housing Solutions (TACHS) (District 7)

Recommendation - It is recommended that the Commission approve an unsecured loan for predevelopment activities for Reese Village, a nineteen-unit complex to house adults living independently with mental illness.

MOTION CARRIED UNANIMOUSLY ON A VOTE OF 6-0, WITH MACIAS ABSENT.

ADOPTION AGENDA - ACTION AGENDA

101 HCR97-004 (Supplemental) - Capacity Building Program for Nonprofit Housing Developers

Recommendation No. 1 - It is recommended that the Capacity Building Program include financial assistance consisting of Predevelopment Assistance, Developer's Fees, Asset Management Fees, and Shared Residual Receipts as described in this Report and in HCR97-004.

Recommendation No. 2 - It is further recommended that the Capacity Building Program include technical assistance as described in this Report.

Ms. Paula Burrier-Lund presented the staff report on this item.

The following members of the public were present and requested to speak on this item:

Ms. Sheila Shanahan of Local Initiatives Support Corporation (LISC) commented that she wholeheartedly supports the structure of this program. However, Ms. Shanahan is in opposition with the amount of the Core Support which is recommended by staff - staff recommends \$5,000-\$10,000. Ms. Shanahan commented that the amount recommended is not adequate given the work that is performed by nonprofits to acquire and rehabilitate projects. Ms. Shanahan recommended that the amount be set at a minimum of \$15,000.

Mr. Jay Powell of City Heights CDC offered his support of this program, but also indicated that amount of monies targeted for Core Support should be higher. In addition, Mr. Powell inquired as to the availability of HOME CHDO funds for operational support for nonprofits.

Mr. Chuck Flacks of the MAAC Project outlined the various responsibilities of a Project Manager to illustrate the amount of work involved and why amount of monies offered for Core Support should be higher. Following are some of the responsibilities highlighted by Mr. Flacks:

- Project Idea**
- Project Planning**
- Pro forma Financials**
- Choose General Contractor**
- Meet with Architects for Project**
- Meet with Lenders**
- Meet with City Staff regarding Subsidies Available**
- Apply for Predevelopment Funds**
- Apply for Local, State and Federal Funds**
- Respond to Lenders**
- Choose Property Manager**

- **Choose Tenants and Perform Lease-Ups**

Mr. Matthew Jumper of the Interfaith Housing Council spoke in support of the components of the program, but also indicated that the amount for Core Support should be higher. Mr. Jumper suggested that the amount should be \$20,000.

Mr. Michael Winn of San Diego Housing Corporation also spoke in support of the program. Mr. Winn proposed that pro formas which are submitted by nonprofits be reviewed and that a percentage of the total funding be returned to the Capacity Building Program for future funding.

Ms. Bethany Porter-Sanchez, Executive Director of the Nonprofit Federation for Housing and Community Development commented that she is pleased with the framework and structure of the program which is proposed by staff. Ms. Porter-Sanchez reiterated that the biggest issue is the amount of Core Support. Ms. Porter-Sanchez proposed the following:

- 1. The framework of the current proposal be adopted.**
- 2. Direct staff to meet with nonprofit members to address issues brought forward at the Commission meeting of today's date.**
- 3. Explore use of HOME CHDO funds.**

Chair Arthur called for Commissioner comments.

Mr. Akili indicated that he liked the recommendations which were proposed and believed them to be prudent and practical. Mr. Akili suggested that proposal by Mr. Winn be given consideration at a later date.

Ms. Nottley concurred with Mr. Akili.

Mr. Dick also liked proposal outlined by Mr. Winn.

MR. DICK MADE A MOTION TO APPROVE STAFF'S RECOMMENDATIONS WITH THE ELIMINATION OF THE \$5,000-\$10,000 TARGET; NO REFERENCE BE MADE TO A TARGET AMOUNT; DIRECT AS PART OF THE PROCEDURE FOR APPROVING CAPACITY BUILDING PROGRAMS FOR NONPROFITS ON A PROJECT BASIS THE DETERMINATION AS TO WHAT IS THE APPROPRIATE AMOUNT OF THE TECHNICAL ASSISTANCE COMPONENT. TO THE EXTENT THE AMOUNT EXCEEDS \$15,000, IT WOULD REQUIRE BOARD APPROVAL. IF AMOUNT IS \$15,000 OR LESS, THEN IT WOULD REQUIRE LOAN COMMITTEE APPROVAL.

MOTION SECONDED BY MR. AKILI.

Chair Arthur called for a response from Ms. Bethany Porter-Sanchez.

Ms. Sanchez indicated that she could support this motion. However, her concern was that this does not allow for nonprofits to plan their budget accordingly.

Ms. Nottley also expressed her concern as to how this might impact budget process for nonprofits.

MR. AKILI MOVED TO AMEND COMMISSIONER DICK'S MOTION TO ESTABLISH A \$10,000 MINIMUM AND THAT RECOMMENDATIONS 2 AND 3 OUTLINED IN MS. PORTER-SANCHEZ' LETTER BE ADOPTED.

MOTION FAILED FOR LACK OF A SECOND.

A SUBSTITUTE MOTION WAS MADE BY MR. DICK TO ADOPT THE \$10,000 MINIMUM AND OTHER STAFF RECOMMENDATIONS, WITH DIRECTION TO STAFF TO WORK WITH THE NONPROFIT FEDERATION REGARDING RECOMMENDATIONS 2 AND 3 OF MS. PORTER-SANCHEZ' LETTER.

MOTION SECONDED BY MR. AKILI.

MOTION WAS CARRIED UNANIMOUSLY ON A VOTE OF 6-0, WITH MACIAS BEING ABSENT.

102 HCR97-017 (Supplemental) - Selection of Development Team for Skyline Drive and Woodman Street Site (Council District 4)

Recommendation: That the Housing Commission consider the public testimony taken at a Special Meeting of the Housing Commission on February 19, 1997, make the selection of a development team, and authorize the Executive Director, with General Counsel's guidance, to enter into an exclusive negotiation with the selected team and negotiate a Development and Disposition Agreement (DDA). Staff would return to the Commission and to the Housing Authority for review and approval of the DDA.

Chair Arthur stated that Commissioner Akili would not be participating in the discussion or vote on this item based on a determination of Conflict of Interest by Legal Counsel.

Chair Arthur determined that due to the number of speaker slips submitted by members of each of the development teams, that each team should choose a spokesperson and be allotted a ten-minute period to make the primary presentation.

Scott Orrantia presented the Skyline Village Partnership proposal with assistance in the design description from Brad Burke. Additional financial information was provided by Stephen Kuptz.

The second presentation was made by William Jones, representing the Woodman Estates proposal. Mr. Jones was assisted in his presentation by other members of his development team, including Frisco White, architect, and Charles Black, contractor.

The final presentation was made by Reese Jarrett of Carter Reese & Associates. Mr. Reese's presentation included slide projection photos of past projects and current projects under construction. Additional presentation assistance in response to the development of Site B was made by Phil Brown, and Jim Likins, Geocon Engineering. Trish Lindvedt of Lindvedt & McCall, discussed the work required for the relocation of a 36" water main on Site A in response to questions from the Commissioners.

Following these presentations, public input was taken from individuals interested in the subject development.

Richard Juarez, representing the MAAC Project, spoke about the selection process and in support of the Skyline Village Partnership proposal.

Ken Sauder spoke in support of the Skyline Village Partnership proposal.

Chuck Flacks of MAAC Project spoke in support of the Skyline Village Partnership proposal.

Sylvia Martinez commented on the selection process and in support of the decision offered by that process.

Matthew Jumper of the San Diego Interfaith Housing Foundation, a member of the volunteer Selection Committee which made the recommendation, spoke in support of the Skyline Village Partnership proposal as the top ranked development team. Mr. Jumper read a portion of a letter which discussed the Selection Committee process and findings. This letter was distributed to all Commissioners.

Rickey Laster of the Minority Contractors Association, and Mr. Larry Price spoke in support of the Skyline Village Partnership proposal.

Abdur-Rahim Hameed of the Black Contractors Association, and Jose Mireles of the Latino Builders Industry Association, spoke in favor of the Woodman Estates proposal.

Discussion followed with Commissioners focussed on the development team selection process.

COMMISSIONER DICK MOVED TO RECOMMEND THE SELECTION COMMITTEE'S RANKING OF THE SKYLINE VILLAGE PARTNERSHIP AS THE DEVELOPER OF THE SUBJECT SITE. THIS MOTION WAS SECONDED BY COMMISSIONER NOTTLEY. COMMISSIONERS DICK, NOTTLEY, AND TUMMINIA VOTED IN FAVOR OF THIS RECOMMENDATION. CHAIR ARTHUR AND COMMISSIONER OXBERRY VOTED AGAINST THE RECOMMENDATION. (COMMISSIONER AKILI ABSTAINED.) THE COMMISSIONERS WERE UNABLE TO PROVIDE A RECOMMENDATION DUE TO THE MINIMUM NUMBER OF VOTES NEEDED FOR AN ACTION.

COMMISSIONER DICK MOVED THAT THE ISSUE BE FORWARDED TO THE LAND USE AND HOUSING COMMITTEE WITH THE HOUSING COMMISSION'S RECOMMENDATION

THAT ANY OF THE THREE DEVELOPMENT TEAM PROPOSALS WERE QUALIFIED AND THAT ALL OF THE TEAMS HAD THE EXPERIENCE TO PERFORM THE DEVELOPMENT REQUIRED AT THE SUBJECT SITE. A FURTHER RECOMMENDATION WOULD BE MADE BY THE LAND USE AND HOUSING COMMITTEE, AND THE FINAL SELECTION OF THE DEVELOPMENT TEAM WOULD BE DETERMINED BY THE HOUSING AUTHORITY.

THE MOTION CARRIED UNANIMOUSLY ON A VOTE OF 5-0, WITH MACIAS BEING ABSENT, AND AKILI ABSTAINING.

CLOSED SESSION

No Closed Session was held due to the lateness of the hour.

ADJOURNMENT

Chair Arthur adjourned the meeting at 12:15 p.m.

Respectfully submitted,

Approved by,

Rob Albrecht
Administrative Assistant

Elizabeth C. Morris
Executive Director

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**Signature Available with
Original Document**