



SAN DIEGO HOUSING COMMISSION

MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
MARCH 24, 1997
CITY ADMINISTRATION BUILDING
202 C STREET, 12TH FLOOR
SAN DIEGO, CALIFORNIA**

Attendance: Present: Chairman Arthur, Commissioners Akili, Dick, Macias, Tumminia and Oxberry. Also present were: Ms. Elizabeth C. Morris, Executive Director and Don Detisch, General Counsel. Absent: Commissioner Nottley.

10 CALL TO ORDER

Chair Arthur called the meeting to order at 9:09 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 monthly report regarding S8 rent overpayments to landlords.
3. As to the status of the report related to Commission Policies which was called for at the January 13, 1997 Housing Commission Meeting.
4. As to whether an annual audit of the Housing Commission by an outside auditor will be performed. If so, when will the audit be on the agenda?

30 COMMISSIONER COMMENTS

Ms. Macias apologized for her absence from the last few Commission meetings.

Mr. Oxberry reported to the Commission regarding his recent trip to Washington D.C. to attend the NAHRO Conference with Executive Director Elizabeth Morris. Mr. Oxberry and Ms. Morris met with Congressman Bob Filner and his staff,

Congressman Randy "Duke" Cunningham and his staff, and Congressman Brian Bilbray and his staff. Meetings were also held with the staffs of Congressmen Hunter and Packard. Mr. Oxberry commented that the focus in Washington is on balancing the budget. In order to do so, there will be more cutbacks and, most likely, a reduction in subsidy dollars and HUD's budget. This will, in turn, affect Housing Authorities across the country.

Mr. Oxberry and Ms. Morris also met with Carey Davidson, Deputy Staff Director for the Senate Committee for Banking Housing and Urban Affairs. Ms. Davidson imparted her knowledge regarding past and current legislation.

Mr. Oxberry and Ms. Morris also had the opportunity to hear new HUD Secretary Andrew Cuomo speak. Ms. Morris reported that Secretary Cuomo is concerned with the public's perception of housing programs and those who administer them. Mr. Cuomo is the first HUD Secretary to have developed and managed affordable housing.

Mr. Oxberry and Ms. Morris also had several meetings with the California Housing Authorities Association.

Ms. Morris reported that she left last year's NAHRO Conference very optimistic and that, this year she left much less optimistic.

40 REPORT BY THE EXECUTIVE DIRECTOR

Ms. Morris reported that staff spoke with the Inspector General, as requested by the Commissioners, regarding the HUD Audit of the S8 program. It appears that it may be months before their report is released.

Mr. Akili inquired as to whether someone from the Inspector General's Office could come to San Diego to participate in a public hearing. Ms. Morris indicated that it is unlikely, but that she would check into it.

50 APPROVAL OF THE MINUTES

Approval of the Minutes of the meeting of March 10, 1997.

MOTION BY OXBERRY TO APPROVE MINUTES OF THE MEETING OF MARCH 10, 1997.

SECOND BY TUMMINIA.

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

ADOPTION AGENDA - CONSENT

MOTION WAS MADE BY AKILI TO APPROVE THE FOLLOWING ITEMS ON CONSENT.

MOTION SECONDED BY MACIAS.

101 HCR97-031 - Loan to San Diego Community Housing Corporation for the Acquisition and Rehabilitation of Fourteen Units at 3845 Winona Avenue(District 7)

Recommendation: That the Housing Commission accept a Loan Committee recommendation to approve a \$181,753 residual receipts loan to San Diego Community Housing Corporation (SDCHC) to acquire and rehabilitate a 14-unit property located at 3845 Winona Avenue, and authorize the Executive Director to execute loan documents, as prepared by General Counsel, to reflect the terms and conditions outlined in this report.

102 (HCR97-034) - Housing Opportunities for Persons with AIDS (HOPWA) Contract with Fraternity House, Inc. for Michelle House, an HIV/AIDS Residential Care Facility for the Chronically Ill (RCF-CI) (Fifth Supervisorial District)

Recommendation: As regional administrator of the HOPWA Program, the Housing Commission should approve a multiyear contract with Fraternity House, Inc. for community residence operating costs in a one-year amount of \$63,000, and a three-year aggregate amount of \$255,000, subject to the availability of funding and Executive Director approval, for Michelle House, and RCF-CI located at 687 Riviera Court in Vista.

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

ADOPTION AGENDA - ACTION AGENDA

100 HCR97-038 - Approve the unilateral termination, and authorize the assumption and transfer of contracts and agreements, with AIDS Foundation San Diego (AFSD) (Countywide)

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

Mr. Jeff Arender addressed the Commission regarding the recent closure of the AIDS Foundation. Mr. Arender expressed concern regarding bounced checks, unexpended funds, and the location of client files.

Ms. Morris assured Mr. Arender that General Counsel is involved and that staff will work to ensure that this problem is resolved and that clients experience no gap in services.

Mr. Akili reiterated that the Commission is committed to ensuring that the transition of services is carried out as smoothly as possible.

Mr. Dick inquired of General Counsel if there was any prohibition against taking action to revoke contracts with an entity that is in bankruptcy.

Mr. Detisch responded that revocation of the existing contracts for the AIDS Foundation is not in violation of any Bankruptcy law.

Ms. Morris commended staff members Terri Jacinto and Craig Velte for their efforts and expertise in formulating a contingency plan in the event the AIDS Foundation closed its doors. As a result, the transition of services has been relatively smooth.

MOTION WAS MADE BY AKILI TO AUTHORIZE ACTION WITH REGARD TO CURRENT CONTRACTS AND AGREEMENTS WITH AFSD IN LIGHT OF THE ORGANIZATION'S RECENT DECLARATION OF BANKRUPTCY.

MOTION SECONDED BY MACIAS.

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

103 (HCR97-018) - Moving to Work Demonstration Program (Citywide)

Mr. Clyde Caldwell presented the staff report on this item.

Mr. Dick requested a clarification as to the length of time participant is able to remain in the program. Mr. Dick suggested that the career path of the participant should be more defined and be limited to 2-3 years. Mr. Dick indicated that he is not prepared to support this item with a five-year time frame.

Mr. Shuf Swift addressed the Commission and offered his support of the proposed five-year plan. Mr. Swift indicated that given the shortfall of jobs, participants will need time and training in order to be fully prepared to enter the job market with the requisite skills necessary to secure employment. Mr. Swift recommends at least five years.

Ms. Macias commented that anything could come up during a participant's plan (illness, childcare issues, etc.) which would necessitate a leave from the program. Therefore, it is necessary to be flexible. Mr. Macias indicated that the proposed language allows for "up to" five years.

Pat Zamora, Program Manager for Resident Services, pointed out that the "Concept Plan" which is attached to the staff report was provided to give the Commissioners an idea of the intended direction, but the application documents are not yet final.

Mr. Caldwell reported the Commission will be given an opportunity by HUD to rework the program, even after the application is submitted. Mr. Caldwell indicated

that technical assistance will be provided by HUD to make such changes, as are appropriate.

MOTION WAS MADE BY MACIAS TO AUTHORIZE THE EXECUTIVE DIRECTOR TO SUBMIT AN APPLICATION TO THE U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT, TO EXECUTE ALL DOCUMENTS NECESSARY TO RECEIVE AUTHORIZATION AND TO IMPLEMENT THE MOVING TO WORK PROGRAM.

MOTION WAS SECONDED BY OXBERRY.

MOTION WAS CARRIED ON A VOTE OF 5-1, WITH DICK VOTING NO AND NOTTLEY BEING ABSENT.

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

Commissioner Akili cited a potential conflict of interest and the left the meeting.

Mr. Dave Schuh presented the staff report on this item.

Chair Arthur explained that this matter had been returned to the Commission with the request that a specific development team be recommended to the Land Use and Housing Committee.

Scott Orrantia, president of the Cuatro Corporation spoke in favor of the Cuatro Catellus proposal. Mr. Orrantia commented that 100% of the homes proposed by Cuatro Catellus for the Skyline Woodman property would be affordable at 80% of Median Area Income. Mr. Orrantia requested that the Commission be mindful of the process the Review Committee went through in coming up with their recommendation for a development team.

Bill Braham, a resident in the community spoke in favor of the CITYLINK proposal.

William Jones, spoke in favor of his team, the CITYLINK Investment Corporation. Mr. Jones reported that his team has developed an excellent working relationship with the community. CITYLINK promises to utilize 100% local labor and resources.

Tom Carter representing the CARTER/REESE group spoke in favor of their proposal. Mr. Carter focused on the fact that his team has previously taken two sites with soil conditions similar to those at Skyline Woodman and developed those sites. Mr. Carter commented that his team understands the needs of the community and that their proposal is financially better than the other proposals. Mr. Carter also indicated that CARTER/REESE is still prepared to purchase the property for \$521,000 in cash.

Phillip Brown spoke in favor the CARTER/REESE proposal.

Abdur-Rahim Hameed of the Black Contractors Association spoke in favor of the Woodman Estates (CITYLINK) proposal .

Chair Arthur then called for Commissioner comments.

Mr. Dick asked if representatives of the Review Committee were asked to come to the Commission meeting.

Mr. Carlos C. de Baca indicated that they had been invited, but were unable to come.

Mr. Dick commented that the group that is selected will be a partner with the Commission and offered his support of the Cuatro/Catellus proposal.

Mr. Dave Schuh indicated that the Selection Panel was comprised of the following members:

1. A board member of the O'Farrell Community Council.
2. The Associate Director of a neighboring Community Development Commission.
3. A private developer with current experience in in-fill development next to, and in close proximity to, the subject site.
4. The Executive Director of a not-for-profit affordable housing agency.
5. A Senior Planner with the City of San Diego.

Chair Arthur commented that he is in support of the CITYLINK proposal put forth by Mr. William Jones.

Mr. Oxberry asked each team the following two questions:

1. Do you feel that your response to the RFP/RFQ proposal was specific as to cost?
2. Would you be ready today, if asked, to execute documents and move forward on development as outlined in your proposal?

Each team indicated that they would be ready to move forward and execute documents, and that their proposals were specific as to cost.

There was continued discussion regarding the development of the Skyline Woodman site.

Chair Arthur then called for a motion for a recommendation to forward to the Land Use and Housing Committee.

MOTION WAS MADE BY CHAIR ARTHUR TO RECOMMEND THE CITYLINK PROPOSAL TO LAND USE AND HOUSING.

MOTION WAS SECONDED BY MACIAS.

MOTION FAILED ON A VOTE OF 2-3, WITH ARTHUR AND MACIAS VOTING YES; DICK, OXBERRY AND TUMMINIA VOTING NO; AND AKILI AND NOTTLEY BEING ABSENT.

MOTION WAS MADE BY OXBERRY TO RECOMMEND THE CARTER/REESE PROPOSAL TO LAND USE AND HOUSING.

MOTION WAS SECONDED BY DICK.

MOTION FAILED ON A VOTE OF 3-2, WITH OXBERRY, DICK AND TUMMINIA VOTING YES; MACIAS AND ARTHUR VOTING NO; AND AKILI AND NOTTLEY BEING ABSENT.

MOTION WAS MADE BY TUMMINIA TO RECOMMEND THE CUATRO CATELLUS PROPOSAL TO LAND USE AND HOUSING.

MOTION WAS SECONDED BY DICK.

MOTION FAILED ON A VOTE OF 2-3, WITH TUMMINIA AND DICK VOTING YES; MACIAS, OXBERRY AND ARTHUR VOTING NO; AND AKILI AND NOTTLEY BEING ABSENT.

MOTION WAS MADE BY OXBERRY TO RECOMMEND THE CARTER REESE PROPOSAL TO LAND USE AND HOUSING WITH THE STIPULATION THAT, IF THEY ARE UNABLE TO CONSTRUCT ON SITE B, THAT A SMALL PARK BE CONSTRUCTED.

MOTION SECONDED BY MACIAS.

MOTION FAILED ON A 2-3 VOTE, WITH OXBERRY AND MACIAS VOTING YES; DICK, ARTHUR AND TUMMINIA VOTING NO; AND AKILI AND NOTTLEY BEING ABSENT.

At this point, there was some discussion as to who would be responsible for the maintenance of this park, if it were to be constructed.

Ms. Morris indicated that the City of San Diego would not be interested in adding a park such as this to the City park system and that the proposed team would be responsible.

MOTION WAS MADE BY OXBERRY TO RECOMMEND THE CITYLINK PROPOSAL TO THE LAND USE AND HOUSING COMMITTEE.

MOTION WAS SECONDED BY TUMMINIA.

MOTION PASSED A VOTE OF 4-1, WITH OXBERRY, TUMMINIA, MACIAS AND ARTHUR VOTING YES; DICK VOTING NO; AND AKILI AND NOTTLEY BEING ABSENT.

105 HCR97-046 - Preliminary Fiscal Year 1997-98 Budget

Public Comment was taken prior to the presentation of the staff report.

Mr. Mel Shapiro made the following comments:

1. He requested that there be language in the budget which specifically addresses the needs of the very low and very, very low income population.
2. He inquired if there would be a reduction in overhead pursuant to the request by the Select Committee.
3. He inquired as to the amount of "Excess Reserves" and inquired as why these monies could not be reduced and targeted to provide housing to those on the waiting list.
4. He requested that the term "affordable" be more clearly defined when used in the budget and other documents in which it appears.

Ms. Elizabeth Morris presented the staff report on this item.

Commissioners discussed the implications of federal funding levels on the Commission's budget.

STAFF WAS ASKED TO RETURN TO THE COMMISSION ON APRIL 14 WITH THE COMPLETED BUDGET FOR DISCUSSION.

NO MOTION WAS MADE AND NO VOTE WAS TAKEN.

CLOSED SESSION

Mr. Detisch announced that pursuant to Government Code, Section 54956.8(a) and 54954.5(b) that the Housing Commission would meet in Closed Session to discuss the following items:

I. **Conference with Legal Counsel - existing litigation, pursuant to California Government Code Section 54956.9(b):**

- a. San Diego Housing Commission v. Francois Sulic
 San Diego Superior Court Case No.: 706292

THIS ITEM WAS TAKEN AS AN INFORMATION ITEM ONLY. NO VOTE WAS TAKEN.

- b. Hosdaa, CBPS, Ira Brooks, Glennetta Hughes, Diane Le Bland, Princella Woods, Willie Woods, Benjamin Cofey, Pearl Morton, Clyde Finley, Gwendolyn Thomas, Annie Wright, Thelma Johnson, and Does 1-1000, individually, and on behalf of all others similarly situated v. Pete Wilson, San Diego Housing Commission, et al.
 United States District Court Case No.: 97CV0133J (JFS)

THIS ITEM WAS TAKEN AS AN INFORMATION ITEM ONLY. NO VOTE WAS TAKEN.

- c. San Diego Housing Commission, a public agency vs. Sinh Pham, an individual; Nhan Thi Nguyen, an individual: My Tan Nguyen, and individual
San Diego Superior Court Case No. 699783

DIRECTION WAS GIVEN TO STAFF TO PROCEED WITH DISMISSAL OF THIS ITEM.

- d. Wendy Gaitor v. San Diego Housing Commission
San Diego Superior Court Case No. 704979

THIS ITEM WAS TAKEN AS AN INFORMATION ITEM ONLY. NO VOTE WAS TAKEN.

II. Conference with Labor Negotiator - pursuant to California Government Code Section 54957.6:

Agency Negotiator: Elizabeth Morris and/or Ron Novello for the San Diego Housing Commission

Employee Organization: Social Services Union, Local 535, SEIU, AFL-CIO

THIS ITEM WAS TAKEN AS AN INFORMATION ITEM ONLY. NO VOTE WAS TAKEN.

III. Conference with Real Property Negotiator - pursuant to California Government Code Sections 54956.8 and 54954.5(b):

b. Property: 7143, 7159, 7161 Fay Avenue
La Jolla, CA 92037

Negotiation 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, Inc., a California corporation; Michael E. Turk and Thomas Ray Armstrong; Douglas Holmes and Patricia Holmes

Under Negotiation: Price and Terms

ON A VOTE OF 5-0, WITH AKILI AND NOTTLEY BEING ABSENT, DIRECTION WAS GIVEN TO STAFF REGARDING PRICE AND TERMS.

IV. Conference with Legal Counsel - anticipated litigation, pursuant to California Government Code Section 54956.9(b):

1. One (1) matter.

DIRECTION WAS GIVEN TO STAFF. NO MOTION WAS MADE AND NO VOTE WAS TAKEN.

ADJOURNMENT

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

Respectfully submitted,

Approved by,

Rob Albrecht
Administrative Assistant

Elizabeth C. Morris
Executive Director

ECM:ra
F:\HCMINS\HCMAR24.MIN

**Signature Available with
Original Document**