



SAN DIEGO HOUSING COMMISSION

AGENDA

AGENDA 388

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).**

Assistive Listening Devices (ALDs): Are available from the City Clerk's Office prior to the meeting, and are to be returned at the end of the meeting.

**SAN DIEGO HOUSING COMMISSION
AGENDA FOR THE REGULAR MEETING
JULY 14, 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, Nottley, Oxberry, and Tumminia)

CLOSED SESSION

It is anticipated that the San Diego Housing Commission will recess into Closed Session on Monday, July 14, 1997 at 9:00 a.m. to discuss Item III of the following agenda. The remaining agenda items will be discussed following adjournment of the Open Session.

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

- (a) Beal Bank, S.S.B, a Texas banking corporation vs. 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

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

- a. One (1) matter.

Public comment, if any, concerning Item III, will be taken before the San Diego Housing Commission convenes in Closed Session.

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

Negotiating Parties: Elizabeth Morris and Dave Schuh for the San Diego Housing Commission; Wintergreen Apartments, Ltd., with Gene C. Hanken, Charles Cono and Al Assad, Jr., serving as general partners, Owners of the Property;

Property 1454-1504 Oro Vista Road
San Diego, CA 92154
A.P.N. 634-070-58

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 June 23, 1997.

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 HCR97-103 - Authorization to Submit Application for Funding Under HUD's Economic Development and Supportive Services Program (Citywide)

Recommendation No. 1: It is recommended that the Housing Commission recommend Housing Authority authorization to submit a grant application to HUD under the Economic Development and Supportive Services Program.

Recommendation No. 2: If the application is successful, authorize the Executive Director to execute the documents necessary to implement the program, including amending the agency budget to include any funds received.

Fiscal Impact: A successful application would result in an additional \$405,000 in HUD funding from the Economic Development and Supportive Services Program, which is not included in the Housing Commission FY98 Budget. Total administrative fees of \$60,750 would be available to the Commission.

Previous Related Action(s): On May 15, 1995 the Housing Commission approved submission of a successful application for funding under HUD's Apprenticeship Demonstration Program in the Construction Trades for a grant of \$250,000. On September 16, 1996 the Housing Commission approved submission of an application to HUD for \$1,000,000 to continue and expand the Apprenticeship Demonstration Program and for on-site services and staff for elderly and disabled residents. That application was not funded.

101 HCR97-102 - Authorization to Submit Application for Funding Under HUD's Federally Assisted Low-Income Public and Indian Housing Drug Elimination Program (Council District 5)

Recommendation No. 1: It is recommended that the Housing Commission recommend Housing Authority authorization to submit a grant application to HUD under the Federally Assisted Low-Income Housing Drug Elimination Program.

Recommendation No. 2: If the application is successful, authorize the Executive Director to execute the documents necessary to implement the program, including amending the agency budget to include any funds received.

Fiscal Impact: A successful application would result in an additional \$125,000 in HUD funding from the Federally Assisted Low-income Housing Drug Elimination Program, which is not included in the Housing Commission FY98 budget. Total estimated administrative fees of \$18,750 would be available to the Commission.

Previous Related Action(s): On February 22, 1994 and May 13, 1996 the Housing Commission approved submission of successful applications for funding under the Federally Assisted Low-income Housing Drug Elimination Program for a total of \$300,000 to date. An application submitted in 1995 was not funded. This will be the fourth application that the Housing Commission has submitted to this program since February 1991.

102 HCR97-104 - Authorization to Submit Application Under HUD's Public and Indian Housing Drug Elimination Program (Districts 1, 4 and 8)

Recommendation No. 1: It is recommended that the Housing Commission recommend Housing Authority authorization to submit a grant application to HUD under the Public and Indian Housing Drug Elimination Program.

Recommendation No. 2: If the application is successful, authorize the Executive Director to execute the documents necessary to implement the program, including amending the agency budget to include any funds received.

Fiscal Impact: A successful application would result in approximately \$360,000 in HUD funding from the Public and Indian Housing Drug

Elimination Program, which is not included in the Housing Commission FY98 Budget. Total administrative fees of \$54,000 would be available to the Commission.

103 HCR97-106 - Amendment to Real Estate Purchase Agreement between the Housing Authority and the Malone Trust for Belden Village North (Council District 5)

Recommendation: Authorize the Executive Director to execute an Amendment to the Covenants, Conditions and Restrictions, as described herein and upon review and approval of General Counsel, which are contained in the Real Estate Purchase Agreement with Malone Trust.

Fiscal Impact: None with this action.

104 HCR97-080 - Agreement with the Fair Housing Council of San Diego to Provide Fair Housing Services (Citywide)

Recommendation: It is recommended that the Housing Commission authorize the Executive Director to execute an agreement with the Fair Housing Council of San Diego (Attachment 1 of the staff report), which provides \$88,000 to partially underwrite FY98 operational expenses and a one-time allocation of \$7,000 to assist in the purchase of a van which had been leased by the agency. The agreement authorizes the Executive Director to execute up to two, one-year extensions contingent on funding availability and contract compliance, with limited ability to increase the annual support amount.

Fiscal Impact: An expenditure of up to \$95,000 in the first three years. Two additional years, at the base amount of \$88,000, would be authorized, subject to availability of funding in future budgets, for a three-year total of \$271,000.

Previous Related Action(s): On January 12, 1989, the Housing Commission accepted the Fair Housing Assessment which recommended that the Commission contract with a nonprofit fair housing organization. Beginning July 17, 1989, the Housing Commission has authorized \$80,000 to \$88,000 each year for operation of the Fair Housing Council.

105 HCR97-059 - Award of Construction Contract for the Replacement of Fencing at Various Public Housing Sites (Council Districts 1,3,5,6 & 8)- CONTINUED FROM JUNE 23, 1997 MEETING.

Recommendation No. 1: Rescind the recommendation to award a construction contract to Harv's Construction Co. for the replacement of fencing at various public housing sites.

Fiscal Impact No. 1: None with this action.

Recommendation No. 2: Recommend that the Housing Authority award a construction contract to the lowest responsive bidder, Lightning Fence Co., in the amount of \$247,600 for the replacement of fencing at various public housing sites, with a ten percent contingency of \$24,760, to address potential change orders for items not anticipated and not identified in the original scope of work. Authorize the Executive Director to execute the contract and expend the contingency, if necessary.

Fiscal Impact No. 2: Funding for this contract is contained in the Comprehensive Grant Program CA16-P063-705 Budget. No local funds are required.

106 HCR97-099 - Acquisition of Wintergreen Apartments (Council District 8) - CONTINUED FROM 6/23/97 MEETING.

Recommendation No 1: It is recommended that the Housing Commission request that the Housing Authority:

1. Approve the purchase of 1454-1504 Oro Vista Road in a partnership structure with the San Diego Housing Development Corporation for \$12,000,000.
2. Approve an estimated development budget of up to \$12,803,847.
3. Authorize the Executive Director to use up to a maximum of \$3,000,000 in HOME funds and to enter into a HOME Agreement with the City pursuant to HOME regulations, to be drafted by Housing Commission General Counsel and approved by the City Attorney.

Recommendation No. 2: It is recommended that the Housing Commission approve Litten Financial Consulting and Kosmont and Associates as financial

advisor; Orrick, Herrington & Sutcliffe and Williams & Gilmore as bond counsel; and the lowest responsible bond underwriter to be selected by the Executive Director based on a competitive RFP process as members of the acquisition financing team.

Recommendation No. 3: Recommend that the Housing Authority approve a bond inducement resolution, including an application for a bond allocation from the State (just to cover the contingency of a possible private investment/partnership scenario in which case a bond allocation would be needed) for the proposed acquisition of the project (Attachment 2 of the staff report).

Fiscal Impact: This acquisition would be financed with tax-exempt multifamily housing bonds, with an estimated maximum bond amount of \$10,155,000. The balance of the estimated total development budget would be paid with HOME funds which is currently estimated to be \$2,648,850. Under the most conservative of estimates, an additional \$351,150 of HOME funds is being requested to be set aside as a contingency, for a total of \$3,000,000 of HOME funds. Any HOME funds not used shall be returned to the HOME program. See Attachment 3 for the financial consultant's Estimated Sources And Uses Of Funds. Revenues from operations are expected to cover all expenses and debt service and create a net cash flow of approximately \$103,736, which would be split in accordance with the partnership interests. This cash flow is realized after deducting an issuer fee (which belongs to the Commission/Authority as issuer of the bonds) and a replacement reserve set aside.

Approval of the inducement resolution does not commit the Housing Authority to issue bonds. If the issuance of bonds is authorized by a separate action of the Housing Authority in the future, the bonds would not financially obligate the City, the Housing Authority or the Housing Commission because security for the repayment of the bonds will be limited to specific private revenue sources. The application for a bond allocation would require a refundable performance deposit in the amount of 0.500 percent, and payment of an application fee in the amount of 0.035 percent of the bond allocation. The necessary funds are budgeted as part of the project acquisition costs.

ADJOURNMENT