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**SAN DIEGO HOUSING COMMISSION**  
**MINUTES**

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**SAN DIEGO HOUSING COMMISSION**  
**MINUTES OF THE REGULAR MEETING**  
**JULY 14, 1997**  
**9:00 A.M.**  
**CITY ADMINISTRATION BUILDING**  
**202 C STREET, 12TH FLOOR**  
**SAN DIEGO, CALIFORNIA**

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

**10     CALL TO ORDER**

Chair Arthur called the meeting to order at 9:18 a.m.

**20     PUBLIC COMMENT**

Ms. Linda Jackson, participant in Section 8 program, appealed to the Board for reconsideration of the termination of her Section 8 status. Chair Arthur assured Ms. Jackson that Staff would look into her case and contact her.

**30     COMMISSIONER COMMENTS**

Commissioner Macias expressed her appreciation for the recent favorable media coverage of the opening of the Fulton Street Townhomes, and her own conviction that this latest public housing development in Linda Vista and its residents will prove to be assets to the community.

**40     REPORT BY THE EXECUTIVE DIRECTOR**

Executive Director Elizabeth Morris called the Board's attention to an article in the San Diego Union Tribune on the Inner City Games' baseball team, an example of the SDHC's positive partnerships in the community.

**50     APPROVAL OF THE MINUTES**

MOTION BY COMMISSIONER OXBERRY TO APPROVE THE MINUTES OF THE MEETING OF JUNE 23, 1997. MOTION SECONDED BY COMMISSIONER MACIAS. MOTION CARRIED ON UNANIMOUS 6-0 VOTE WITH COMMISSIONER DICK BEING ABSENT.

**ADOPTION AGENDA - CONSENT**

The Executive Director announced that ITEM 106: HCR97-099 - "Acquisition of Wintergreen Apartments" was pulled from the agenda. The Seller in this potential acquisition had withdrawn his offer.

Commissioner Dick expressed his desire to engage in a policy discussion on the efficacy of an acquisition program of market-rate units. Ms. Morris agreed and stated that such a report was currently being prepared for presentation at a future board meeting.

MOTION BY COMMISSIONER DICK TO APPROVE THE FOLLOWING ITEMS ON CONSENT:

**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.

**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.

**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.

**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.

MOTION SECONDED BY COMMISSIONER NOTTLEY, AND CARRIED ON UNANIMOUS VOTE OF 6-0, WITH COMMISSIONER AKILI BEING ABSENT.

**ADOPTION AGENDA - ACTION AGENDA**

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

Staff Report was presented by Steve Mikelman, Loan Manager.

Ms. Erin Walsh, representing the Malone Trust, owners of Belden Village North, spoke in support of Staff's recommendation.

Commissioner Dick asked how this amendment would affect the Commission. Mr. Mikelman stated that in addition to being an equitable solution, this action would increase administrative efficiency by making these contract provisions more consistent with other contracts administered by the Commission.

Commissioner Macias asked how the change in rents and vacancies would affect the Belden waiting list. Mr. Mikelman thought that as the majority of Belden tenants are long-standing residents, this action should not impact the waiting list.

Commissioner Dick asked for clarification of the actual workings of the proposed rent increase. Mr. Mikelman stated that it was Staff's recommendation that for those tenants earning below 35%, rent increases be based on the percentage of increase in the median income as periodically issued by HUD. The most recent change results in a \$9.00 per month increase.

MOTION MADE BY COMMISSIONER OXBERRY TO 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. MOTION SECONDED BY COMMISSIONER MACIAS, AND CARRIED ON UNANIMOUS VOTE OF 6-0, WITH COMMISSIONER AKILI BEING ABSENT.

**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**

Staff Report was presented by Housing Program Manager, Steve Snyder.

Mr. Harvey Randall, owner of Harv's Construction Company, spoke in his own behalf, disputing allegations made regarding his financial statements and records, and restating his interest in keeping the contract awarded to him.

Mr. Snyder clarified that the contract had, in fact, never been awarded to Harv's Construction Company, that recommendation had only been made to the Housing Authority and withdrawn. As discrepancies appeared in Mr. Randall's records, with advice of Counsel, Staff changed their recommendation and decided to put the contract out to public bid, giving Mr. Randall the opportunity to compete with other private contractors, but withdrawing the request to contract his company under a special procurement as a public housing resident-owned business. Mr. Snyder noted that the Housing Commission and HUD's procurement policy allow for award of contract to resident-owned businesses only when the value of that contract does not exceed that which would normally be paid for that work. In this case, the solicited public bid from Lightning Fence Co. came in considerably lower than the contract under consideration with Harv's Construction Company.

Chair Arthur voiced his support for Staff's efforts to contract resident-owned businesses and expressed his sympathy for Mr. Randall's situation, as his work for the Commission has always been satisfactory in the past. But due to the discrepancies in Mr. Randall's financial records, in the interest of the public trust, Mr. Arthur felt it his responsibility to agree with Staff's recommendation.

Commissioner Macias concurred that though she too was an advocate for resident contracting, the Commission's first responsibility was to the public for proper administration of its funds.

MOTION MADE BY COMMISSIONER OXBERRY TO ADOPT STAFF'S RECOMMENDATION TO 1) AWARD A CONSTRUCTION CONTRACT TO HARV'S CONSTRUCTION CO. FOR THE REPLACEMENT OF FENCING AT VARIOUS PUBLIC HOUSING SITES; AND 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. MOTION SECONDED BY COMMISSIONER MACIAS, AND CARRIED ON UNANIMOUS VOTE OF 6-0, COMMISSIONER AKILI BEING ABSENT.

#### CLOSED SESSION

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

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

THIS ITEM WAS TAKEN AS INFORMATIONAL ONLY. NO ACTION WAS TAKEN.

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

THIS ITEM WAS TAKEN AS INFORMATIONAL ONLY. NO ACTION WAS TAKEN.

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
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THIS ITEM WAS NOT DISCUSSED, AS ISSUE WAS ADDRESSED IN OPEN SESSION.

ADJOURNMENT

Chair Arthur adjourned the meeting at 10:35 a.m.

Respectfully submitted,

Approved by,

Margaret Hill  
Executive Secretary

Elizabeth C. Morris  
Executive Director

ECM:mh

**Signature Available with  
Original Document**