



SAN DIEGO HOUSING COMMISSION

AGENDA

AGENDA 389

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**SAN DIEGO HOUSING COMMISSION
AGENDA FOR THE REGULAR MEETING
JULY 28, 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)

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**

The Minutes of the July 14, 1997 will be approved at the August 18, 1997 Housing Commission meeting.

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 **HCR97-108 - Submittal of an Application to the U.S. Department of Housing and Urban Development (HUD) for Shelter Plus Care Program Funds (Citywide)**

Recommendation: Authorize the Executive Director to: 1) submit an application to HUD for approximately \$1.9 million to renew the 1992 Shelter Plus Care (S+C) Program funds, and 2) if the application is successful, recommend Housing Authority approval of authorization to execute documents necessary to receive funding and enter into contracts; implement all program components; and amend the Housing Commission budget to reflect funding received.

Fiscal Impact: None with this action. Approximately \$1.9 million may be received if the S+C Program application is successful. The S+C Program allows 8 percent of the total grant to be utilized to cover administrative costs associated with the program. The application proposes to split the 8 percent administrative fee between the Housing Commission and its nonprofit partners based on shared program administration responsibilities.

101 **HCR97-107 - Administration of Section 8 Vouchers and Certificates for At Risk Housing Developments (Council Districts 4 & 8)**

Recommendation: It is recommended that the Housing Commission accept a one-year, 423 unit allocation of Section 8 Vouchers and Certificates to provide Section 8 assistance to the occupants of President John Adams Manor and the Seaward Arms Apartments and authorize the Executive Director to amend the budget and execute all necessary documents.

Fiscal Impact: Award of these units would increase the Section 8 program budget by approximately \$1,837,676. It will be necessary to add two additional Housing Assistant II positions (limited to the duration of the grant)

at a cost of \$66,988 and office equipment at a cost of \$2,410. The balance of the funding, \$1,768,278 will be for rent to owners.

102 HCR97-109 - Establishment of the Southcrest Rehabilitation Program (Council Districts 4 & 8)

Recommendation: Approve the Southcrest Housing Rehabilitation Program as requested by Southeastern Economic Development Corporation (SEDC) and authorize the Executive Director to execute the Scope of Services and the Agreement between the Redevelopment Agency of the City of San Diego and the San Diego Housing Commission.

Fiscal Impact: On September 26, 1996, the Board of Directors of SEDC approved the expenditure of \$150,000 consisting of \$75,000 from SEDC tax increment housing set-aside funds and \$75,000 from Southcrest bond proceeds for the initial funding of the Southcrest Rehabilitation Program. The City's Redevelopment Agency adopted the program on October 29, 1996 (Resolution No. R-02693 - Attachment 1 of the staff report). The Housing Commission FY98 budget approved on May 13, 1997, included these anticipated \$150,000.

Previous Related Action: SEDC has contracted with the Housing Commission on numerous prior occasions to administer its housing programs, including the housing rehabilitation program in the Mt. Hope Redevelopment Area.

103 HCR97-110 - Loan to Chicano Federation for the Acquisition and Rehabilitation of 3766-3778 35th Street (Council District 3)

Recommendation: That the Housing Commission approve and recommend Housing Authority approval of a loan to Chicano Federation in the maximum amount of \$440,970 for the acquisition and rehabilitation of a 20-unit property located at 3766-3778 35th Street and authorize execution of loan documents, in a form acceptable to the Executive Director and General Counsel, to reflect the terms and conditions outlined in the staff report. It is recommended that the Housing Commission authorize a 3 percent residual receipts second trust deed in the maximum amount of \$440,970.

Fiscal Impact: Approval of this recommendation would result in the expenditure of \$88,970 in FY98 Housing Trust Fund funds and \$352,000 in HOME Community Housing Development Organization (CHDO) funds.

104 HCR97-096 - Contract with David Rosen & Associates for the Provision of Consultant Services Related to Lending Practices and Portfolio Management (Citywide)

Recommendation: It is recommended that the Housing Commission authorize the Executive Director to execute an agreement with David Rosen & Associates (Attachment 1 of the staff report), in an amount up to \$54,000 to provide consultant services related to improving loan processing and management of the Agency portfolio.

Fiscal Impact: An expenditure of up to \$54,000 funded with FY97 savings and FY98 budgeted monies.

105 HCR97-116 - Bond Inducement Resolution for The Bluffs Apartments (Council District 6)

Recommendation No. 1: It is recommended that the Housing Commission recommend Housing Authority approval of a bond inducement resolution and an application to the California Debt Limit Allocation Committee for an allocation of bond issuing authority to finance the acquisition and rehabilitation of the project by Essex Bluffs, L.P., a subsidiary of Essex Property Trust, Inc., a publicly traded Real Estate Investment Trust.

Recommendation No. 2: It is recommended that the Housing Commission approve Litten Financial Consulting and Kosmont and Associates (MBE - 30 percent), financial advisor; Orrick, Herrington & Sutcliffe and Williams & Gilmore (MBE - 20 percent), bond counsel; and Newman and Associates, Inc. and M.R.Beal & Company (MBE - 20 percent), bond underwriter, as members of the financing team.

Fiscal Impact - None with this action. Approval of the inducement resolution does not commit the Housing Authority to issue bonds. Should the issuance of bonds for the projects be authorized in the future under a separate action by the Housing Authority, 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. All costs of the financing, including compensation for staff efforts in preparing and administering the financing will be borne by the owner.

**106 HCR97-114 - Response to 1996-97 County Grand Jury Report: Improving
Low Income Housing Practices (Citywide)**

Recommendation: That the Housing Commission recommend to the Housing Authority that they accept, approve and forward the proposed response to the Presiding Judge of the San Diego County Superior Court.

Fiscal Impact: None with this action.

CLOSED SESSION

It is anticipated that the San Diego Housing Commission will recess into Closed Session on Monday, July 28, 1997 with the following agenda.

- 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
 - (b) San Diego Housing Commission, a public agency vs. Delta Associates, a California General Partnership; Harvard S. Hurst, an individual; Daniel J. Chiapappa, an individual; Jan T. Chandler, an individual; and Does 1 through 20, inclusive
San Diego Superior Court Case No.: 711155
 - (c) HAR Construction, Inc., a California corporation vs. San Diego Housing Commission, a political subdivision of the United States Government; and Does 1 through 10, inclusive
San Diego Municipal Court Case No.: SBM021361
 - (d) San Diego Housing Commission, a public agency; and Housing Authority of the City of San Diego, a public agency vs. Industrial Indemnity, an unknown entity; Crum & Forster Corporation; a New Jersey corporation; Crum & Forster Insurance Risk Management Accounts, an unknown entity; and Does 1 through 10
San Diego Superior Court Case No.: 680684
Court of Appeal Case No.: D027060

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

a. Two (2) matters .

III. Public Employee Performance Evaluation pursuant to Government Code Section 54957 and Conference with Labor Negotiator pursuant to Government Code Section 54957.6.

Title of Employee: EXECUTIVE DIRECTOR

ADJOURNMENT

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