



# SAN DIEGO HOUSING COMMISSION

# AGENDA

AGENDA 390 (REVISED - ADDED REPORT # HCR97-133 - ITEM 108)

**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  
SEPTEMBER 8, 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**

Approval of the Minutes of the Meeting of July 14, 1997.

Approval of the Minutes of the Meeting of July 28, 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**    **HCR97-118 - Appointment of San Diego Housing Development Corporation Directors (Citywide)**

**Recommendation:** It is recommended that the San Diego Housing Commission appoint Mr. William E. Meyer to the at-large Director position vacated by Ms. Lynda Tauzier on the Board of Directors of the San Diego Housing Development Corporation, a California nonprofit public benefit corporation.

**Fiscal Impact:** No impact with this action.

**Previous Related Action:** On March 19, 1990 the Commission authorized the establishment of the nonprofit housing corporation. On July 16, 1990 the Commission appointed Directors and an organizational meeting was held. On October 19, 1992 the Commission continued action on appointments in order to make nominations for at-large resident Director positions. On February 8, 1993, the Bylaws were amended expanding the number of Directors from five (5) to seven (7), adding two at-large Director positions.

**101**    **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.

**102 HCR97-111 - Funding Recommendation Under Housing Trust Fund Request for Proposals for Housing Rehabilitation Programs (Citywide)**

**Recommendation No. 1:** Approve contract in form acceptable to the Executive Director and General Counsel (consisting of \$150,000 for rehabilitation loans and \$15,000 for administrative expenses) to San Diego Neighborhood Housing Services for use in the PRIDE Program; and

**Recommendation No. 2:** Commit \$135,000 (consisting of \$121,500 for rehabilitation loans and \$13,500 for administrative expenses) to the San Diego Housing Commission's Housing Trust Fund Rehabilitation Program.

**Fiscal Impact:** Approval of these recommendations will result in the expenditure of \$300,000 in FY97 Housing Trust Fund Housing Rehabilitation Program Funds.

**Previous Related Actions:** At its meeting of January 13, 1997, the Commission determined that any funds reserved for the Housing Rehabilitation RFP but not used in the funding commitment recommendations would be dedicated to the Housing Commission's Housing Trust Fund Housing Rehabilitation program.

**103 HCR97-105 - Award Recommendations for FY96 Housing Trust Fund Transitional Housing Funds of \$240,000 (Council Districts 2, 8, undetermined)**

**Recommendation:** It is recommended that the Housing Commission commit funds from the FY96 Housing Trust Fund Transitional Housing program as follows:

1. Make a grant of \$42,225 to Volunteers of America for occupancy expenses of SAMI, a program that helps homeless adults with substance abuse and mental illness diagnoses;
2. Make a grant of \$120,150 to The Salvation Army for occupancy and administrative expenses of the Family Development Center to provide housing for families participating in Solutions V transitional housing programs; and
3. Reserve \$77,625 to Episcopal Community Services pending the identification of a site for the Women's and Children's Project

for a program that helps families fleeing domestic violence or dealing with substance abuse recovery or mental illness.

**Fiscal Impact:** Approval of this recommendation will result in the expenditure of \$240,000 in FY96 Transitional Housing funds which were reserved for local projects funded under the HUD Super NOFA.

**104 HCR97-100 - Loan Sale and Servicing Agreement for HOOP First-Time Homebuyer Program (Council Districts 3 & 7)**

**Recommendation:** It is recommended that the Housing Commission approve the Loan Sale and Servicing Agreement (attached to the staff report) with Neighborhood Housing Services of America for resale of Housing Commission-funded loans generated under SDNHS' HOOP First-Time Homebuyer Program.

**Fiscal Impact:** None with this action. The Housing Authority has committed a total of \$478,000 to the HOOP Program (consisting of \$465,000 for second trust deeds and \$13,000 for administrative costs) from the Housing Trust Fund First-Time Homebuyers Program.

**Previous Related Actions:** The first funding of the HOOP Program was approved by the Commission on November 13, 1995. Three subsequent funding awards have increased the total funding commitment as outlined in the *Fiscal Impact* above.

**105 HCR97-122 - FY97 Public Housing Management Assessment Program (Citywide)**

**Recommendation:** That the Housing Commission approve the resolution and authorize the Chairperson to execute a Public Housing Assessment Certification and submit the Certificate to the HUD-Los Angeles office by August 29, 1997.

**Fiscal Impact:** None with this action.

**Previous Related Action(s):** The Housing Commission approved submission of a Public Housing Management Assessment Certification on March 2, 1992 for FY91, on September 21, 1992 for FY92, on September 20, 1993 for FY93, on September 12 1994 for FY94, on September 18, 1995 for FY95, and on September 16, 1996 for FY96.

**106    HCR97-112 - Classification and Compensation Study Contract Authorization and Implementation Recommendation**

**Recommendation:** It is recommended that the Housing Commission approve the Classification and Compensation contract and implementation plan and execute a contract in the amount of \$53,000 to Reward Strategy Group, Inc.

**Fiscal Impact:** Upon approval of the contract authorization, the FY98 Budget will be amended by a transfer of funds from Reserves to the Operations Division.

**Previous Related Action(s):** On April 21, 1997 the Housing Commission authorized conducting a Classification and Compensation study subject to the authorized expenditure level and approved fiscal year budgeted amounts. This action also directed staff to return the study implementation plan and recommendations to the Board prior to implementation.

**Future Related Action(s):** The consultant will present study recommendations prior to approval and implementation of the FY99 Budget.

**107    HCR97-137 - Density Bonus Program - Option to Purchase a Condominium Unit Located at 1942 Missouri Street (District 6)**

**Recommendation:** It is recommended that the Commission not exercise its option to purchase a condominium unit located at 1942 Missouri Street because the option price exceeds appraised market value. It is also recommended that the Executive Director be authorized to release the Agreement restricting affordable housing which is attached to the grant deed.

**Fiscal Impact:** None. The Commission's first right of refusal option price significantly exceeds the unit's appraised value and does not warrant the Commission exercising its option to purchase.

**Previous Related Action(s):** Effective April 24, 1981, the City Council adopted an ordinance to implement then new provisions of State law requiring localities to grant density bonuses to developers who construct affordable housing to low and moderate income households. On May 7, 1982, (Report 82-59) the Housing Commission adopted an implementation policy for the Density Bonus Program.

**108 HCR97-133 - Grant to the Center for Domestic Violence Treatment and Education, Inc. for Rehabilitation, Relocation and Permit Processing for Transitional Housing (District 2)**

**Recommendation:** It is recommended that the Housing Commission approve a revocable grant of up to \$170,000 to the Center for Domestic Violence Treatment and Education, Inc. (CDV) for rehabilitation of a property in Ocean Beach that would be used as transitional housing for victims of domestic violence and their children, for relocation of current tenants from the property, and for costs associated with obtaining a Conditional Use Permit (CUP) to allow on-site professional counseling.

**Fiscal Impact:** The cost of up to \$170,000 would leverage \$46,000 of additional funds available for rehabilitation and \$548,000 of Federal Grant money, and would improve a property on which the Commission holds a second trust deed.

**109 HCR97-123 - Request by Point Loma Nazarene College for Variance from Payment of the City's Housing Impact Fee (District 2)**

**Recommendation:** It is recommended that the Housing Commission grant a request from Point Loma Nazarene College, located at 3900 Lomaland Drive for a Low Employee Density Variance and refund of the City's Housing Impact Fee of \$4,441.40 assessed for a new building.

**Fiscal Impact:** Approval of this recommendation will result in a reduction in Housing Impact Fees collected of \$4,441.90. Projected collections for FY98 are approximately \$2,000,000.

**110 HCR97-136 - Acquisition Program Policy Discussion (Citywide)**

**Recommendation:** It is recommended that the Housing Commission reaffirm its support for acquiring existing units as one option within a multifaceted approach to the provision of affordable housing embraced by the City of San Diego.

**Fiscal Impact:** None with this action. Actions with fiscal impact will be presented to the Housing Commission for consideration consistent with established policy.

**111 HCR97-121 - Palm Vista Apartments (District 8)**

**Recommendation No. 1:** That the Housing Commission retain ownership of the Palm Vista Apartment and transition the project from the current 20

percent of the units at 80 percent of Median Area Income (MAI) income restrictions to a goal of 20 percent of the units with affordable rents at 50 percent of MAI and 10 percent at 60 percent MAI. The transition to the contemplated new restrictions would entail replacing the current 10 percent interim debt with permanent tax exempt debt at the approximate interest rate of 7 percent. It is further recommended that the Housing Commission recommend to the Housing Authority that the bond inducement and bond allocation resolution be adopted in order to effectuate the tax exempt financing.

**Recommendation No. 2:** It is recommended that the Housing Commission approve a financing team consisting of CGMS Incorporated and KDG Development Consulting (MBE and WBE—20 percent) as financial advisor; Fulbright & Jaworski, LLP and Cynthia L. Fatica (WBE—35 percent) as bond counsel; and a bond underwriter, or a lender in the case of a tax exempt note, to be selected by the Executive Director based on a competitive RFP process.

**Fiscal Impact:** The permanent financing will be with tax-exempt debt, in an estimated maximum amount of \$2,600,000. The bond inducement resolution would permit up to \$3,000,000 of bonds to allow for contingencies. The actual bond amount will be the subject of a future report to be considered by the Housing Commission and Housing Authority. The balance of the estimated total development budget, which is currently estimated to be \$900,000, would be paid with HOME funds resulting in a total development budget of \$3,730,000 (\$62,200 per unit). Revenues from operations, after the permanent financing is in place, are expected to cover all expenses and debt service and create a net annual cash flow of approximately \$48,500 in year 1 of ownership.

**Previous Related Actions:** On February 3, 1997, the Housing Commission authorized the Executive Director to make the first trust deed current and proceed with the Housing Commission's second position foreclosure action against the existing owner, after conferring with the Chair of the Housing Commission.

**112 HCR97-135 - Consultant Contract for Rental Assistance Programs (RAP) Review (Citywide)**

**Recommendation No. 1:** Authorize the Executive Director to negotiate a contract not to exceed \$69,940 for consulting services with the firm of Quadel Consulting Corporation to conduct a comprehensive review of Commission Rental Assistance programs.

**Recommendation No. 2:** Authorize the Executive to negotiate a contract amendment, not to exceed \$26,998, for additional tasks described in the contract scope of services as determined by the Executive Director, based on agency needs and available resources.

**Recommendation No. 3:** Approve a transfer of \$96,938 from Section 8 contingency reserves to the contract consultant line item in Rental Assistance/Occupancy budget to provide for this contract.

**Fiscal Impact:** Total fiscal impact is not to exceed \$96,938.

**113 HCR97-125 - Section 8 Rent Rates (Citywide)**

This item has been placed on the agenda for public discussion as requested by the Housing Commissioners to address public concerns about the Section 8 Rental Assistance Program.

**CLOSED SESSION**

It is anticipated that the San Diego Housing Commission will recess into Closed Session on Monday, September 8, 1997 with the following agenda.

- I. Conference with Legal Counsel - existing litigation, pursuant to California Government Code Section 54956.9(a) and 54954(c):
  - (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. Park Haven Apartments No.1, a California general partnership; Park Haven Apartments No. 2, a California general partnership; Park Haven Apartments No. 3, a California general partnership; Park Haven Apartments No. 1, Ltd., a California limited partnership; John B. Walsh, an individual; Elden E. Vanover, an individual; Joe Rosa, an individual; Diedrich & Vanover, a general partnership; Trabajadores de la Raza, Inc. dba Casa Familiar, a California nonprofit public benefit corporation; and Does 1-50, inclusive.  
San Diego Superior Court Case No.: 712827
  - (c) San Diego Housing Commission, a public agency vs. Creekside Villa Apartments, a California limited partnership; Barbara Barsky, an individual; Morley Barsky, an individual; Richard Kuebler, an individual;

John B. Walsh, an individual; Trabajadores de la Raza, Inc., dba Casa Familiar, a California nonprofit public benefit corporation; and Does 1-50, inclusive.

San Diego Superior Court Case No.: 712828

(d) San Diego Housing Commission, a public agency vs. T.N.T. Partners, Inc.

San Diego Superior Court Case No.: 707898

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

a. More than (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 54954.5(b) and 54956.8:

**Property:** 7143, 7159 and 7161 Fay Avenue  
La Jolla, CA 92037; and; a remnant portion  
of 7143, 7159 and 7161 Fay Avenue,  
La Jolla, CA 92037

**Negotiating Parties:** Elizabeth Morris, Lee Bates, and Steve  
Mikelman for the San Diego Housing  
Commission; Douglas Holmes and Patricia  
Holmes; Edwin Carey III

**Under Negotiation:** Terms

## **ADJOURNMENT**