



# SAN DIEGO HOUSING COMMISSION

# AGENDA

AGENDA 391 (REVISED - ADDED REPORT # HCR97-141 - ITEM 101)

**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 22, 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 September 8, 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    HCR97-134 - Approval to Submit Comprehensive Grant Annual Statement/Performance and Evaluation Report to the U. S. Department of Housing and Urban Development (HUD) (Citywide)**

**Recommendation:** It is recommended that the Housing Commission approve and authorize the submission of the Annual Statement/Performance and Evaluation Report (Attachment 1 to the staff report) to HUD and the execution of required documents.

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

**Previous Related Action(s) - On August 19, 1996, the Housing Commission authorized the submission of the Comprehensive Grant Annual Statement/Performance and Evaluation Report to HUD.**

**101    HCR97-141 - Accept Funding from the California Wellness Foundation for the "Computers in Our Future" Program (District 8)**

**Recommendation #1:** Authorize the Executive Director to accept the award of \$525,000 from the California Wellness Foundation's "Computers in Our Future" Program.

**Recommendation #2:** Authorize the Executive Director to amend the budget and add a position as detailed in this report.

**Fiscal Impact:** This is a four year grant project as shown in attachment 2. Approval of this action would increase the activity of Youth, Family, & Senior Programs for FY98 budget by the following: Salaries & Benefits - \$43,291; Services & Supplies - \$3,690; and Housing Programs - \$44,681. Reserves will total \$433,338 for the remaining three years of the program.

**Previous Related Actions(s):** On November 18, 1996 the Housing Commission authorized the Executive Director to submit a grant application for this program.

**102 HCR97-129 - Application for Mortgage Credit Certificate Allocation (Citywide)**

**Recommendation:** It is recommended that the Housing Commission recommend that the City Council (1) communicate to the California Debt Limit Allocation Committee (CDLAC) the City's strong support for a larger allocation of the state's bonding authority to local Mortgage Credit Certificate programs and (2) authorize an application to CDLAC for up to a \$75,000,000 allocation of Mortgage Credit Certificates (MCCs) in FY98.

**Fiscal Impact:** Approval of the recommendations and concurrence by the City Council could result in the expenditure of up to \$18,750 for the application fee if the application is granted and the reservation of \$250,000 for a performance deposit. The previous deposit has been refunded and the Commission will pledge a new deposit with the proceeds of the released deposit. The \$250,000 deposit will be released upon issuance of the first MCC or taken by the State after three years if no MCCs are issued.

**Previous Related Actions:** On September 18, 1995, (Resolution #96-201) the City Council authorized the San Diego Housing Commission to submit MCC applications between September 1, 1995 and November 30, 1996 to CDLAC for allocations totalling \$50,000,000. On March 4, 1996, an allocation was received for \$15,762,438. On December 30, 1996, another allocation was received for \$13,087,983.

On December 9, 1996, (Resolution #97-562) the City Council authorized the San Diego Housing Commission to submit MCC applications between

December 1, 1996 and December 31, 1997 to CDLAC for allocations totalling \$75,000,000. On February 13, 1997, an allocation was received for \$9,229,477.

**103 HCR97-140 - Modifying Proportion of Funding between Loan and Grant for "Villa Rica" (District 7)**

**Recommendation:** It is recommended that the Housing Commission approve a change in the proportion of loan and grant funds for Villa Rica from \$653,315 loan and \$146,685 grant to \$612,000 loan and \$188,000 grant.

**Fiscal Impact:** Under the rules of HUD's Section 202 program, which is the primary funding source for the development of the project and which will also provide an operating subsidy for 20 years or longer, both principal and interest on any loan to the project must be deferred while the HUD regulatory agreement is in place. Therefore, increasing the grant relative to the loan will have no fiscal impact for at least 40 years.

**Previous Related Actions:** On April 21, 1997 (HCR 97-056), the Housing Commission approved the conversion of \$146,685 of the previously-approved loan to a grant, which action was ratified by the Housing Authority on May 13, 1997.

**104 HCR97-136 - Acquisition Program Policy Discussion (Citywide)  
(CONTINUED FROM SEPTEMBER 8, 1997 MEETING)**

**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.

**105 HCR97-121 - Palm Vista Apartments (District 8)  
(CONTINUED FROM SEPTEMBER 8, 1997 MEETING)**

**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.**

### **CLOSED SESSION**

**It is anticipated that the San Diego Housing Commission will recess into Closed Session on Monday, September 22, 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. **Diana Gines Lopez (Beltran) & Children v. City Hall, City of Chula Vista, CA et al (San Diego Housing Commission)**  
San Diego Superior Court Case No. 712799
  - b. **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
  - c. **San Diego Housing Commission, a public agency v. Delta Associates, a California General Partnership; Harvard S. Hurst, an individual; Daniel J. Chiarappa, an individual; Jan T. Chandler, an individual; and Does 1 through 20, inclusive**  
San Diego Superior Court Case No. 711155
- II. **Conference with Legal Counsel - anticipated litigation pursuant to Government Code Section 54956.9(b):**
- a. **More than (1) matter.**

**ADJOURNMENT**

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