



SAN DIEGO HOUSING COMMISSION MINUTES

REVISED
Revisions highlighted –
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**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
OCTOBER 13, 1997
9:00 A.M.
CITY ADMINISTRATION BUILDING
202 C STREET, 12TH FLOOR
SAN DIEGO, CALIFORNIA**

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

10 CALL TO ORDER

Chair Arthur called the meeting to order at 9:08 a.m.

20 PUBLIC COMMENT

Mr. Mel Shapiro charged that the Commission is paying more than market rate rents at Euclid Terrace. Mr. Shapiro requested that activities regarding the collection of overpayments - such as amounts of moneys requested and actually recovered, and actions taken by the City Attorney - be included in the monthly Status Report on Section 8 Rents. Lastly, Mr. Shapiro pointed out that the fourth quarter Quarterly Program Progress Report on number of households being assisted is overdue.

30 APPROVAL OF THE MINUTES

COMMISSIONER TUMMINIA MOTIONED TO APPROVE THE MINUTES FOR THE MEETING OF SEPTEMBER 22, 1997. THE MOTION WAS SECONDED BY COMMISSIONER MACIAS AND CARRIED BY UNANIMOUS VOTE OF 4-0, WITH COMMISSIONERS DICK, NOTTLEY, AND OXBERRY BEING ABSENT.

40 COMMISSIONER COMMENTS

Commissioner Tumminia thanked Staff for adding agenda numbers to the reports, and commended Resident Services staff on their written report (to be presented at this meeting).

50 REPORT BY THE EXECUTIVE DIRECTOR

Ms. Morris provided a status report on the sale of the Fay Avenue property, which is on track to close escrow in April, 1998.

Ms. Morris asked Program Manager Nancy Williams to report on the upcoming NAHRO conference. Ms. Williams spoke of some scheduled events and the Commissioners' roles in the conference.

Commissioner Akili asked if the proceeds from the Sale of the Fay Avenue property would go into the Housing Trust Fund. Ms. Morris confirmed that they would.

ADOPTION AGENDA - CONSENT

NO ITEMS WERE APPROVED ON CONSENT.

ADOPTION AGENDA - ACTION

100 HCR97-115 - Resident Services Section and Family Self-Sufficiency Program (Citywide)

Chairman Arthur preceded the presentation with a brief statement explaining that he had requested this report be prepared in order to call attention to the vital and highly successful activities of the Resident Services programs. Mr. Arthur stressed the importance of the Commission's efforts to not only provide housing, but to aid residents in becoming self-sufficient, so that they can move up and out of assisted housing.

The staff report was introduced by Executive Director Morris and delivered by Housing Program Manager Pat Zamora, and Senior Program Analyst Patti Zatarian-Menard, in the form of a slide presentation. The report described the various programs of the Resident Services Section, their funding sources, and performance measures.

Mr. Shuf Swift, former Housing Commissioner, spoke in support of the Resident Services programs and the impact of these collaborative efforts on the public housing residents and the community at large. Mr. Swift testified that public housing recipients have become first-time homebuyers with the assistance of the Escrow Account - a savings incentive program offered in the Family Self-Sufficiency Program. Mr. Swift declared his conviction that everything that can be done should be done to support these self-sufficiency programs.

Senior Resident Initiatives Coordinator Cara Gillette corroborated Mr. Swift's testimonial with some statistics of the number of residents who have become self-sufficient through the Resident Services programs.

Mr. Mel Shapiro criticized the report's promotional format, and expressed his preference for a more traditional style and a more detailed analysis of the Family Self-Sufficiency program with page numbers.

Commissioner Akili expressed his support for the self-sufficiency programs, and suggested some of Mr. Shapiro's concerns be addressed in a supplemental report.

Ms. Zattarian-Menard underscored the distinction between the Resident Services *programs* and one component, the Family Self-Sufficiency Program. She stated that the purpose of this presentation was to give an overview of the Resident Services programs, and that a separate report on the Family Self-Sufficiency Program is being prepared. Mr. Shapiro's issues regarding that specific program will be addressed therein.

MOTION MADE BY COMMISSIONER AKILI TO ACCEPT THE STAFF REPORT ON THE ACTIVITIES OF THE RESIDENT SERVICES SECTION AND THE FAMILY SELF-SUFFICIENCY PROGRAM. MOTION SECONDED BY COMMISSIONER MACIAS AND CARRIED ON UNANIMOUS VOTE OF 4-0, WITH COMMISSIONERS DICK, NOTTLEY, AND OXBERRY BEING ABSENT.

101 HCR97-144 - Selection of Bond Counsels and Financial Advisors for Participation in the Bond Program (Citywide)

Financial Specialist Jan Laufik delivered the staff report, describing the selection process for firms to participate in bond program transactions.

Chairman Arthur expressed his concern regarding the multi-year term of commitment to the bond counseling team, preferring a project-to-project selection.

Mr. Laufik and Ms. Morris both responded that it is more administratively effective and efficient to develop this type of long-term working relationship and contract. Ms. Morris elaborated that though the selected firms have already proven their performance and stability, the contracts do provide for a termination process, should performance issues arise. It is currently the Commission's policy to reevaluate its contracts with the various counsels every two or three years. This review and recontracting of bond counsel is in accordance with that policy.

Commissioner Macias asked legal counsel if Mr. Arthur's recommendation would call for a policy change. Mr. Chuck Christensen stated that the current policy could be amended upon instruction from the Board.

Mr. Arthur agreed to go forward with the recommendation at this time, but retained his opinion that there are advantages to contracting on a project-by-project basis.

Commissioner Akili suggested that staff's recommendation be accepted, but that this policy be reviewed by the Board in the near future.

MOTION BY COMMISSIONER AKILI TO APPROVE THE SELECTION COMMITTEE RECOMMENDATION OF THE FOLLOWING FIRMS FOR PARTICIPATION IN BOND PROGRAM TRANSACTIONS INITIATED BETWEEN JANUARY 1, 1998 AND DECEMBER 31, 2000: BOND COUNSELS - ORRICK, HERRINGTON & SUTCLIFFE AND WILLIAMS & GILMORE; STRADLING, YOCCA CARLSON & RAUTH AND ROBINSON & PEARMAN; FINANCIAL ADVISORS - CGMC INCORPORATED (LEAD) AND CIC RESEARCH INC.; LITTEN FINANCIAL CONSULTING (LEAD) AND KOSMONT AND ASSOCIATES. MOTION SECONDED BY COMMISSIONER MACIAS AND CARRIED ON UNANIMOUS VOTE OF 4-0, WITH COMMISSIONERS DICK, NOTTLEY, AND OXBERRY BEING ABSENT.

102 HCR97-094 Supplemental - Fiscal year 1996 Audit Reports (aka HCR97-149)

Staff report was delivered by Chief Operating Officer Ron Novello, with Finance Manager Tim Sturtevant on hand for questions. This item was first brought to the Board as an informational report, but was subsequently agendaized, at the request of the Board.

This Audit Report is a certified audit of the Commission's activities for fiscal year 1996.

Mr. Mel Shapiro suggested that this item be continued to a future meeting in respect of Commissioner Dick, who had been the one to request the item be put on the agenda. Chair Arthur responded that Mr. Dick had not asked for a continuance.

Mr. Shapiro restated his belief in the need for docketing this item for approval by the Board, and challenged the Commission's practice of maintaining a reserve.

Mr. Novello and Ms. Morris discussed the figures referred to in the audit, i.e. the difference between a current bank balance of unexpended funds and budgeted reserves.

Commissioner Akili suggested that staff make it a practice to define reserve funds whenever they are referred to, in anticipation of the recurring questions that arise whenever "reserves" are mentioned. Ms. Morris said she would request that the independent auditor who prepares the financial statement clarify "reserves."

Mr. Akili also questioned an unreserved balance referenced in the report of \$3.6 million; Mr. Tim Sturtevant confirmed that this amount is for the Housing Trust Fund, and indicated that all unreserved balances are budgeted every year.

Commissioner Akili proposed adopting the motion with the condition that it be brought back for review, should Commissioner Dick, who asked for the item to be docketed, have any remaining questions.

MOTION BY COMMISSIONER AKILI TO RECEIVE AND FILE THE 1996 AUDIT REPORTS. MOTION SECONDED BY COMMISSIONER MACIAS AND CARRIED ON UNANIMOUS VOTE OF 4-0, WITH COMMISSIONERS DICK, NOTTLEY, AND OXBERRY BEING ABSENT.

CLOSED SESSION

I. Conference with Legal Counsel - existing litigation, pursuant to California Government Code Section 54956.9(a) and 54954.5(c):

(a) 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 vs. Park Haven Apartments No. 1, a California general partnership; Parkhaven 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

NO ACTION TAKEN ON THESE ITEMS.

(c) Beal Bank, S.S.B., a Texas banking corporation v. 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

NO ACTION TAKEN. PUBLIC NOTICE THAT LITIGATION HAS BEEN SETTLED AND COPIES OF AGREEMENTS WILL BE ON FILE FOR PUBLIC REVIEW

- (d) San Diego Housing Commission, a public agency vs. Ward Richard Hanigan, Trustee of the Central Avenue Trust UDT 2/6/90; Central Avenue Trust UDT 2/6/90, and Does 1 through 20, inclusive
San Diego Superior Court Case No.: 709699

NO ACTION TAKEN.

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

- a. More than (1) matter.

COMMISSION GAVE INSTRUCTION TO COUNSEL BY A VOTE OF 4-0,
COMMISSIONERS DICK, NOTTLEY, OXBERRY ABSENT.

ADJOURNMENT

Chair Arthur adjourned the meeting at 11:00 a.m.

Respectfully submitted,

Approved by,

Margaret Hill
Executive Secretary

Elizabeth C. Morris
Executive Director

ECM:mh

**Signature Available with
Original Document**