



SAN DIEGO HOUSING COMMISSION

AGENDA

AGENDA 393

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**SAN DIEGO HOUSING COMMISSION
AGENDA FOR THE REGULAR MEETING
NOVEMBER 3, 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 October 13, 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 **HCR97-155 -Public Hearing Regarding Proposed Issuance of Bonds for Villas at Avventura II Apartments, The Bluffs Apartments and Mountain View Estates Apartments (Districts 1, 6 and 4)**

Recommendation: It is recommended that the Housing Commission recommend that the City Council hold a public hearing with respect to the proposed issuance of bonds by the Housing Authority ("TEFRA" hearing) to finance the new construction of the 232-unit Villas at Avventura II Apartments located at the southeast corner of La Jolla Village Drive and Lebon Drive (by Rodney F. Stone and Patrick Kruer); the acquisition and rehabilitation of the 224-unit The Bluffs Apartments located at 6466 Friars Road (by Essex Bluffs, L.P., a publicly traded Real Estate Investment Trust); and the acquisition and rehabilitation of the 145-unit Mountain View Estates Apartments located at 4066 Messina Drive (by San Diego Community Housing Corporation) in order to obtain public input regarding the same.

Fiscal Impact - None.

Previous Related Action(s) - The inducement resolutions and applications for allocation of bond issuing authority from the State were approved for Villas at Avventura II by the Housing Commission on September 16, 1996 and by the Housing Authority on November 26, 1996; for The Bluffs Apartments on July 28, 1997 and August 12, 1997, respectively; and for Mountain View Estate Apartments on September 16, 1996 and November 26, 1996, respectively.

101 **HCR97-152 - Loan Committee Appointees (Citywide)**

Recommendation: It is recommended that the Housing Commission approve the nominations of Barry Schultz and Tess Colby.

Fiscal Impact: None.

Previous Related Action(s): On May 2, 1988, the Housing Commission, pursuant to existing policy, appointed members to the Loan Committee. On November 14, 1994, the Housing Commission approved Policy No. 600.102 concerning the continued operation of the Loan Committee. On November 18, 1996, the Housing Commission appointed members to the Loan Committee.

102 **HCR97-145 - Reprogram Public Housing Units (Districts 1,4, 5 and 8)**

Recommendation: It is recommended that the Housing Commission authorize the Executive Director to request approval from HUD to: 1) Continue conversion of two dwelling units to non-dwelling use at the Santa Margarita and Vista del Valle locations, 2) Request Performance Funding System Waivers for units approved for non-dwelling use to promote economic self-sufficiency services and anti-drug programs, 3) Deprogram 2005 Alaquinas Dr #8, 4453 Market St #B and 5389 Santa Margarita St #31 as Public Housing dwelling units for use by on-site resident managers who are not eligible for the Public Housing Program and authorize the Executive Director to request approval from HUD to deprogram units for use by on-site resident managers in the future.

Fiscal Impact: The net income loss, encompassing all seven units, would be approximately \$421 per month.

Previous Related Action(s): In April, 1991, the Commission applied to and obtained permission from HUD to convert two dwelling units to non-dwelling use (one at the Vista del Valle housing complex on Alaquinas Dr and one at Santa Margarita) to provide resident service activities, self-sufficiency programs and drug elimination activities.

103 **HCR97-156 - Accept Funding Awarded from HUD for Economic Development with the City Heights Community Development Corporation (Districts 3 and 4)**

Recommendation No. 1: It is recommended that the Housing Commission recommend Housing Authority ratification of the Housing Commission's recent submission of a grant application and award of funds from HUD for the Community Partnerships for Resident Uplift and Economic Development Program in partnership with the City Heights Community Development Corporation.

Recommendation No. 2: Authorize the Executive Director to execute the documents necessary to implement the program, including amending the agency budget to include the funds received.

Recommendation No. 3: It is recommended that the Housing Commission approve an amendment to the FY98 Budget adding \$300,000 for the Community Partnerships for Resident Uplift and Economic Development Program to the activities Operation of Self-Sufficiency and Reserves.

Fiscal Impact: In the Resident Services Operation and Self-Sufficiency Activity, \$17,612 will be added to services and supplies and \$54,306 will be added to Housing Programs. The balance of the grant, \$228,082, will be added to Reserves to continue this program through fiscal year 2000. Total estimated administrative fees of \$10,202 would be available to the Commission.

Previous Related Action(s): On July 14, 1997, the Housing Commission approved submission of an application for funding under HUD's Economic Development and Supportive Services Program for a grant of \$405,000 in order to increase self-sufficiency and support continued independent living for elderly and disabled residents. Action on that application is still pending.

104 **HCR97-154 - FY98 Inclement Weather Shelter Program (Citywide)**

Recommendation: It is recommended that the Housing Commission authorize, subject to Housing Authority approval, the Executive Director to execute the Memorandum of Understanding (Attachment 1 to the staff report) with the City of San Diego to partially underwrite, in the amount of \$245,000, the FY98 Homeless Inclement Weather Shelter Program. Authorization of funding in that amount would require an FY98 budget increase of \$100,000 to provide the additional funds, requested by the City to off-set increase expenses anticipated for the FY98 program.

Fiscal Impact: \$145,000 in FY98 funds has already been budgeted for the program. The FY98 budget would increase by adding \$100,000 of carryover funds from the La Jolla Promenade Project settlement to provide for an increase of \$100,000 in Loans and Grants in the Housing Finance and Development activity of Funding of Affordable Housing Activities.

Previous Related Action(s): From February 1991 through June 1996, the Housing Commission contracted with nonprofit providers for the provision of

cold weather shelter services for the homeless. In November 1996 the Commission voted to transfer FY97 monies directly to the City in an effort to streamline funding for the time-sensitive program.

105 **HCR97-143 - Modification to the Prototype Program for For-Profit Rental Property Rehabilitation (Targeted - Districts No. 2,3,4,5,6,7 and 8)**

Recommendation: It is recommended that the Housing Commission recommend Housing Authority approval of extension of loan term and reduction of interest rates in the For-Profit Rental Property Rehabilitation Prototype Program as outlined in the staff report.

Fiscal Impact: The prototype program approved on March 18, 1997 is limited to \$350,000 of federal HOME Investment Partnerships funds designated for multifamily rehabilitation in the FY97 Housing Commission budget and carried over to the FY98 approved budget.

Previous Related Action(s): On March 18, 1997, the Housing Authority approved a Prototype Program for For-Profit Rental Property Rehabilitation (Attachment 1 of the staff report). Staff was directed to return to the Land Use and Housing Committee nine months later to assess program status and to evaluate if any other adjustments should be warranted.

106 **HCR97-153 Loan to Greater Golden Hill Community Development Corporation for Acquisition and Rehabilitation of Two Units at 1801-1803 Gregory Street (District 3)**

Recommendation: It is recommended that the Housing Commission accept a Loan Committee recommendation to approve a \$38,000 first trust deed loan and a \$93,199 second trust deed residual receipts loan, for a total loan of \$131,199, to Greater Golden Hill Community Development Corporation (GGHCDC) to acquire and rehabilitate a 2-unit property located at 1801-1803 Gregory Street and authorize the Executive Director to execute loan documents, as prepared by General Counsel, to reflect the terms and conditions outlined in this report.

Fiscal Impact: Approval of this recommendation would result in the expenditure of \$104,799 in HOME Community Housing Development Organization (CHDO) funds and \$26,400 in Housing Trust Fund funds.

107 HCR97-159 - OFFER TO PURCHASE: 4233 ALBATROSS DRIVE (District 2)

Recommendation: It is recommended that the Housing Commission recommend that the Housing Authority:

- a) Accept the offer by Gerald M., Maureen M. and Rosemary Boyle of \$280,000 to purchase the property located at 4233 Albatross Drive.
- b) Provide a shared equity second trust deed not to exceed \$50,000 at three percent interest deferred for 30 years.
- c) Authorize the Executive Director to execute the documents necessary to complete the transaction.

Fiscal Impact: Sale of the property for \$280,000 would result in the recapture of all loan funds and expenses, plus a net gain of approximately \$4,800 (excluding staff costs).

Previous Related Action(s): On April 10, 1992, the Housing Commission accepted the recommendation of the Housing Trust Fund Board of Trustees and approved a loan up to \$100,000 to Christian Social Concerns. On November 14, 1994, the Housing Commission adopted the amended policy on Housing Commission Loan Defaults, Foreclosures, and Disposition of Property Acquired (Policy 600.103). On May 8, 1995, the San Diego Housing Trust Fund Board of Trustees approved funding a \$3,077.15 Special Needs Grant to Christian Social Concerns. On March 11, 1997,

108 HCR97-150 - Sale of 642-648 W. Hawthorn Street (District 2)

Recommendation: It is recommended the Housing Commission recommend Housing Authority authorization:

1. To accept the offer of \$318,600 submitted by Anthony H. Gaussoin, with the condition that the property is sold in its "as-is" condition.
2. To accept the offer of \$300,000 submitted by Craig Lanser as a back-up in the event that the primary offer does not result in purchase of the subject property.
3. For the Executive Director to execute all documents necessary to complete the sale.

Fiscal Impact: Sale of the property for \$318,600 would result in an estimated net loss of \$201,800.

Previous Related Action(s): On November 14, 1994, the Housing Commission adopted the amended policy on Housing Commission Loan Defaults, Foreclosures and Disposition of Property Acquired (Policy No. 600.103). On March 8, 1995, Housing Commission acquired title to the property through a Trustee's Sale authorized by the Board in closed session. On September 18, 1995 the Housing Commission approved holding the project and renting units to very low income tenants. On September 16, 1996, the Housing Commission agreed to continue holding the project for possible use under HUD's Youthbuild Program, which subsequently was not funded. On August 8, 1997, Housing Commission Report HCR97-101 was issued and informed the Board of staff's intent to offer the subject property for sale.

109 HCR97- Revisions to Procurement Policies

Recommendation: That the Housing Commission recommend Housing Authority approval of the proposed amended procurement policy revising procedures and authorization levels as depicted in Attachment 1, including raising the Housing Commission approval authority level to \$500,000.

Fiscal Impact: None with this action.

Previous Related Action(s): These policies were most recently revised on August 22, 1994.

110 HCR97-158 - Award of Contract to PeopleSoft, Inc. for Financial Systems Software (Citywide)

Recommendation: That the Housing Commission recommend that the Housing Authority authorize the Executive Director to negotiate a contract not to exceed \$379,125 for financial software with PeopleSoft, Inc.

Fiscal Impact: \$379,125. Additional funds will be required for system implementation, including consulting services, position backfill, future software upgrades, software support, travel and training.

111 **HCR97-157 - Budget Revision for the Transfer of Low Income Housing Capital Outlay ("LIHCO") Funds to Pay Additional Development Permit Fees (Council Districts 6 and 7)**

Recommendation No. 1: It is recommended that the Housing Commission recommend that the City Council approve the use of \$197,000 of LIHCO funds toward the payment of additional permit fee expenses in the amount of \$221,000 for the development of Public Housing Project CA16-PO63-044, located at 7520 Fulton St., 7891 Golfcrest Dr., and 7281 Saranac St., (Attachment 1).

Recommendation No. 2: It is recommended that the Housing Commission recommend that the Housing Authority approve a budget amendment to include \$197,000 of LIHCO and \$24,000 of additional local funds (consisting of bond fees), for a total amount of \$221,000 to pay additional permit fee expenses for Public Housing Project CA16-PO63-044.

Fiscal Impact: The requested action would involve the transfer of \$197,000 of LIHCO funds and \$24,000 of local (bond fee) funds, amending the Housing Commission's Housing Finance, Rental Housing Development budget, and resulting in a total project development cost budget increase from \$6,946,344 to \$7,167,344.

Previous Related Action(s): On August 19, 1996 the Housing Commission approved an increase of \$450,000 in construction contract authority due to environmental noise requirements, grading and drainage changes. On September 17, 1996 the Housing Authority approved an increase of \$450,000 in construction contract authority due to environmental noise requirements, grading and drainage changes.

112 **HCR97-139 - Response to Council Inquiry Regarding Redistribution of Housing Commission Resources to Increase Investment in First-Time Homebuyer Activities (Citywide)**

Recommendation No. 1: Amend the FY98 Budget to reallocate \$1,000,000 from Rental Housing Development and Owner-Occupied Rehabilitation activities to Homeownership Financing/Investing in Affordable Housing and add \$18,000 for contract services in Homeownership Financing/Investing in Affordable Housing, and amend budget and objectives for these activities.

Recommendation No. 2: It is recommended that the City of San Diego amend the FY97 Consolidated Plan to reflect this change.

Recommendation No. 3: A change to the distribution requirements of the Housing Trust Fund Ordinance is not recommended at this time.

Recommendation No. 4: It is recommended that \$400,000 in FY98 Housing Trust Fund Homeownership Program funds be committed to the Housing Commission Downpayment Assistance Program.

Fiscal Impact: \$250,000 in HOME funds for Owner-Occupied Rehabilitation and \$750,000 in HOME funds for Rental Housing Development would be transferred to Homeownership (Financing/Investing in Affordable Housing) for first-time homebuyer activities in the Shared Equity Silent Second Loans Program. In addition, the budget for contract services in Homeownership Financing/Investing in Affordable Housing would be increased by \$18,000 of HOME funds carrying over from FY97 to provide for temporary help to process the number of loans for this program.

Previous Related Action(s); In August of 1996, the City of San Diego Consolidated Plan for FY97 was approved by the U.S. Department of Housing and Urban Development. On May 13, 1997, the Housing Authority approved the FY98 Housing Commission budget, which included FY97 HOME funds for Commission activities in FY98.

113 **HCR97-121 (Supplemental) - Palm Vista Apartments (District 8)**

Recommendation: Issue a Request for Proposals in order to receive and evaluate the most cost effective and efficient provision of affordable housing at the Palm Vista Apartments.

Fiscal Impact: None with this action. However, proposals will likely seek Housing Commission funds and would be subject to future Housing Commission consideration.

CLOSED SESSION

It is anticipated that the San Diego Housing Commission will recess on Monday, November 3, 1997 into Closed Session with the following agenda:

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

- (a) **Melvin Shapiro v. City of San Diego and San Diego Housing Commission**
San Diego Superior Court Case No.: 714981
- (b) **Melvin Shapiro v. San Diego Housing Commission**
San Diego Superior Court Case No.: 714975
- (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