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# SAN DIEGO HOUSING COMMISSION

# MINUTES

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SAN DIEGO HOUSING COMMISSION  
MINUTES OF THE REGULAR MEETING  
DECEMBER 8, 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: Mr. Ron Novello, Chief Operating Officer, and Chuck Christensen, General Counsel.

10 **CALL TO ORDER**

Chair Arthur called the meeting to order at 9:20 a.m.

20 **CLOSED SESSION**

I. **Public Employee Performance Evaluation - pursuant to Government Code Sections 54954.5(e) and 54957:**

Title: Executive Director

MOTION TO MAKE AND ACCEPT THE EVALUATION OF THE EXECUTIVE DIRECTOR CARRIED BY A VOTE OF 4-0, WITH COMMISSIONERS DICK, NOTTLEY, AND OXBERRY BEING ABSENT.

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

(a) **D. Bradley Crowe vs. Robert Brewer, aka Jerry Smith; Guy LaFrance; J. Ziegler; and d. Glazewski**

United States District Court Case No.: 97-CV-0508-BTM(AJB)

(b) **San Diego Housing Commission, a public agency v. TNT Equity Partners, Inc.; and 1 through 20, inclusive**

San Diego Superior Court Case No. 707898

- (c) **San Diego Housing Commission and the Housing Authority of the City of San Diego vs. State of California; Department of Transportation; and Does 1 through 50, inclusive**

San Diego Superior Court Case No.: 705157

DIRECTION GIVEN TO COUNSEL BY A VOTE OF 4-0, WITH COMMISSIONERS DICK, NOTTLEY, AND OXBERRY BEING ABSENT.

**III. Conference with Legal Counsel - anticipated litigation pursuant to Government Code Section 54956.9(c) and 54954.5(c):**

- (a) More than (1) matter.

INFORMATIONAL ONLY. NO ACTION TAKEN.

**30 PUBLIC COMMENT**

Mr. Adrian Cerbu spoke in behalf of this mother concerning her Section 8 status. Counsel briefed the Board on the legal history and advised that as Mrs. Cerbu's case is in litigation, no action could be taken at this time.

**40 COMMISSIONER COMMENTS**

Commissioner Akili announced his resignation from the Board, effective at the close of the current session. Mr. Akili was recently appointed Executive Director of the Nonprofit Federation for Housing and Community Development, and his new position would be in conflict of interest with his post as Commissioner. Chairman Arthur expressed the Commission's deep appreciation for Mr. Akili's four years of service to the City of San Diego as a member of the Housing Commission Board.

**50 REPORT BY THE EXECUTIVE DIRECTOR**

None.

**60 APPROVAL OF THE MINUTES**

COMMISSIONER TUMMINIA MOTIONED TO APPROVE THE MINUTES FOR THE MEETING OF NOVEMBER 17 AND THE REVISED MINUTES FOR THE MEETING OF OCTOBER 13. THE MOTION WAS SECONDED BY COMMISSIONER MACIAS AND CARRIED BY UNANIMOUS VOTE OF 4-0, WITH COMMISSIONERS DICK, OXBERRY, AND NOTTLEY BEING ABSENT.

**ADOPTION AGENDA - CONSENT**

With respect to Item 102, Counsel advised that under the provisions of California Government Code 109, Commissioner Akili's new position with the Nonprofit Federation, a 501C Corporation, constitutes a remote interest, and prevents his vote on this issue from being counted. Chairman Arthur added that his own status with the Urban Housing Corporation would discount his vote also, and the situation would be the same for Item 106. Without the votes of Chair Arthur and Commissioner Akili, the Commission did not have the required four votes needed and it was determined that these items would be continued.

**102 HCR97-170 - Funding for Countywide Credit Needs Assessment (Citywide)**

Recommendation: It is recommended that the Housing Commission authorize a one-time expenditure of up to \$20,000 to assist in underwriting the costs of the proposed Countywide Credit Needs Assessment (Attachment 1 to the staff report), which will provide a comprehensive credit needs and access assessment that will serve to identify deficiencies in the reinvestment infrastructure, most specifically in the areas of affordable housing, consumer, and small business credit.

**106 HCR97-171 - APPEAL OF LOAN COMMITTEE ACTION - 848 Plaza Cuernavaca Way (Council District 4)**

Recommendation: It is recommended that the Housing Commission uphold Loan Committee's denial of the \$25,000 Share Equity Loan and \$3,000 Downpayment Assistance Grant to Leandro and Dina Marie Arevalo for the purchase of the property located at 848 Plaza Cuernavaca Way.

COMMISSIONER AKILI MOVED TO CONTINUE THE ABOVE TWO ITEMS AND TO CARRY THE FOLLOWING ITEMS ON CONSENT:

**100 HCR97-163 - San Diego Housing Commission 1998 Meeting Schedule**

Recommendation: Approve a schedule of meeting dates for calendar 1998.

**101 HCR97-164 - Revise and Approve University Canyon Lease and Occupancy Plan (District 5)**

Recommendation: It is recommended that the Housing Commission approve the revisions as proposed and authorize the Executive Director to forward the revised Lease and Policy to the Los Angeles area office.

**103 HCR97-169 - Community Reinvestment Plans from Borrego Springs Bank, Comerica Bank of California, San Diego National Bank, and Union Bank of California (Citywide)**

Recommendation: It is recommended that the Housing Commission recommend that the City Council, pursuant to Council Policy 900-9, accept specific Community Reinvestment Act (CRA) Plans from Borrego Springs Bank, Comerica Bank of California, San Diego National Bank, and Union Bank of California.

**105 HCR 97-167 - Application for FY99 Community Development Block Grant (CDBG) Funds (Citywide)**

Recommendation: It is recommended that the Housing Commission authorize the Executive Director to:

- a. Apply to the City for 20 percent of the City's FY99 Community Development Block Grant (CDBG) funds;
- b. Execute a contract with the City for the amount allocated to the Commission and any additional amount which the Commission may be asked to administer on the City's behalf; and
- c. Execute contracts, approved by Counsel, with other agencies receiving CDBG allocations which the City Manager may ask the Commission to administer.

**109 HCR97-172 - Additional Funding for the 1997/98 Winter Shelter Program for the Homeless (Citywide)**

Recommendation: It is recommended that the Housing Commission authorize, subject to Housing Authority approval, the Executive Director to execute the revised Memorandum of Understanding (Attachment 1) with the City of San Diego which provides an additional \$205,000 for the FY98 Winter Shelter Program for the Homeless, for a total contribution of \$450,000.

MOTION SECONDED BY COMMISSIONER MACIAS, AND CARRIED UNANIMOUSLY ON A VOTE OF 4-0, WITH COMMISSIONERS DICK, OXBERRY, AND NOTTLEY BEING ABSENT.

**ADOPTION AGENDA - ACTION**

**104 HCR97-174 - Public Hearing Regarding Proposed Bond Issuance by California Statewide Communities Development Authority for Rio Vista Apartments (District 8)**

Staff Report was presented by Financial Specialist Jan Laufik, with Deputy Director Paula Burrier-Lund on hand for questions.

Mr. Laufik explained the need for the Housing Commission's consideration and for City Council to hold a public hearing on this issue. It is the Commission's usual practice to use its own programs for issuance of bonds. However, in this case, the Developer is requesting the issuer of bonds be a statewide Joint Power Authority (JPA) acting in behalf of the City because the bonds will cover several properties in various jurisdictions. This action would improve cost effectiveness for the developer. With a JPA as bond issuer, there are restrictions and federal regulations that require a public hearing and approval by the jurisdiction in which the project is to be located. Mr. Laufik pointed out that this type of transaction opens the door for discussion of this new role of the Housing Commission as facilitator of bond issuance by entities other than the Housing Authority.

Chairman Arthur clarified that this action would provide increased affordability with no increase in the Commission's liability.

MOTION MADE BY COMMISSIONER MACIAS TO RECOMMEND THAT THE CITY COUNCIL HOLD A PUBLIC HEARING ("TEFRA" HEARING) WITH RESPECT TO THE PROPOSED ISSUANCE OF UP TO \$14.5 MILLION OF TAX-EXEMPT MORTGAGE REVENUE BONDS BY CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (CSCDA), A STATEWIDE JOINT POWERS AUTHORITY, TO FINANCE THE ACQUISITION AND REHABILITATION OF THE 161-UNIT RIO VISTA APARTMENTS LOCATED AT 1120 SAN YSIDRO BOULEVARD BY STEADFAST MCCORD, LLC IN ORDER TO OBTAIN PUBLIC INPUT REGARDING THE SAME.

MOTION SECONDED BY COMMISSIONER AKILI AND CARRIED ON UNANIMOUS VOTE OF 4-0, WITH COMMISSIONERS DICK, OXBERRY, AND NOTTLEY BEING ABSENT.

**107 HCR97-166 - Offer to Purchase 4058 National Avenue (District 4)**

Staff Report presented by Mr. Steve Mikelman, Loan Manager. A recent staff review determined that it would be more appropriate to have a nonprofit in

control of the National Avenue property, rather than the Housing Commission. Public Notices were issued, and one response was received from the Bayview Community Development Corporation (CDC) to purchase the property with a loan from the Housing Commission.

Ms. Diem Do spoke in behalf of the Bayview CDC's intent to purchase and maintain the quality of this property as well as other properties in the neighborhood, in an effort to increase livability and affordability in this area. Ms. Do also asked for consideration of an increase in the developer's fee.

Discussion of the possibility of increase in the developer's fee followed. Staff recommended that no increase be made, as there is no risk in the transaction and the property will generate a positive cash flow. Ms. Do responded that the lack of marketability of the area would delay the income of the property.

Mr. Akili spoke in support of the increase to ensure the success of the project, and recommended a compromise; Chairman Arthur agreed with staff's recommendation.

Mr. Christensen advised rescheduling the residual receipts agreement to increase the developer's fee in the first year. All parties found this solution agreeable.

**MOTION MADE BY COMMISSIONER AKILI TO INCORPORATE COUNSEL'S RECOMMENDATION TO ALLOW BAYVIEW CDC TO RECEIVE AN ADDITIONAL \$2,000, IF AVAILABLE, FROM RESIDUAL RECEIPTS AT THE END OF THE FIRST YEAR OF OPERATION TO PARTIALLY COVER COSTS OF RELATED ACTIVITIES, AND TO RECOMMEND THAT THE HOUSING AUTHORITY:**

- A) ACCEPT THE OFFER BY BAYVIEW COMMUNITY DEVELOPMENT CORPORATION OF \$160,000 TO PURCHASE THE SIX-UNIT APARTMENT BUILDING AT 4058 NATIONAL AVENUE, CONTINGENT ON RECEIVING A MANAGEMENT PLAN FROM THE PURCHASER THAT IS APPROVED BY HOUSING COMMISSION.
- B) PROVIDE ADDITIONAL FUNDS FOR EXPENSES TOTALING \$15,960 FOR: 1) A DEVELOPER'S FEE OF \$6,400; 2) CAPITALIZED OPERATING RESERVES OF \$7,560; AND 3) ESCROW CLOSING COSTS OF \$2,000.
- B) PROVIDE A PURCHASE MONEY FIRST TRUST DEED IN THE AMOUNT OF \$175,960 WHICH INCLUDES THE PURCHASE PRICE AND ALL EXPENSES.

- C) AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE THE DOCUMENTS NECESSARY TO COMPLETE THE TRANSACTION.

MOTION SECONDED BY COMMISSIONER MACIAS AND CARRIED ON A UNANIMOUS VOTE OF 4-0, WITH COMMISSIONERS DICK, NOTTLEY, AND OXBERRY BEING ABSENT.

**108 HCR97-173 - Proposed FY98 Budget Revision (Citywide)**

Staff report was presented by Mr. Tim Sturtevant, Financial Management Manager. Mr. Ron Novello explained that this revised budget does not reflect major changes to the budget but primarily a reconciliation of figures that have been compiled since the presentation of the original budget.

Mr. Mel Shapiro disagreed with this characterization, indicating staff increase as a change in the original budget. Mr. Shapiro questioned the allocation of funds, and questioned the amount of reserves held by the Commission.

Commissioner Akili asked Mr. Novello to clarify the Commission's use of reserves. Mr. Novello explained that there is a large variety of funds from various sources, that they do not all come in or go out at the same time, and that there are very few funds left uncommitted at any given time. Mr. Sturtevant testified that there is only \$197,000 in unallocated funds at this time.

Commissioner Akili asked for a report that defines reserves and our intentions for them, in an effort to clarify this recurring issue. Mr. Sturtevant drew attention to Attachment 3 of the Budget which indicates intended uses for the funds in reserves. Mr. Akili suggested that this information might be disseminated for public discussion.

MOTION MADE BY COMMISSIONER AKILI TO RECOMMEND TO THE HOUSING AUTHORITY THE FOLLOWING REVISIONS IN THE FISCAL 1998 (FY98) BUDGET:

- (1) ADDITIONS/DELETIONS OF REVENUE SOURCES NETTING \$2,969,605; AND
- (2) NET ADDITIONS OF CARRYOVER FUNDS TOTALING \$7,415,267; AND
- (3) INTERNAL TRANSFERS OF FUNDING AMONG BUDGET LINES. THESE CHANGES WILL BE ACCOMPLISHED BY THE TRANSFER

OF FUNDS WITHIN THE BUDGET AND WILL NOT CHANGE THE  
TOTAL BUDGET.

MOTION SECONDED BY COMMISSIONER MACIAS AND CARRIED ON A  
UNANIMOUS VOTE OF 4-0, WITH COMMISSIONERS DICK, NOTTLEY, AND  
OXBERRY BEING ABSENT.

**110 HCR97-161 - Action Setting Executive Director's Compensation (Citywide)**

Mr. Mel Shapiro expressed his desire to see the Executive Director's  
Performance Evaluation.

Mr. Chuck Christiansen requested revised language concerning the Executive  
Director's medical plan election, Flexible Benefits Plan, and clarified that  
employee evaluations are personnel matters, exempt from disclosure.

Mr. Novello stated that the performance evaluation of the Executive Director  
was carefully considered by the Commissioners and this information is  
privileged and confidential.

MOTION MADE BY COMMISSIONER MACIAS TO SET THE COMPENSATION  
PACKAGE FOR THE EXECUTIVE DIRECTOR OF THE COMMISSION AS SET  
FORTH IN THE STAFF REPORT, RETROACTIVE TO JULY 1, 1997. MOTION  
SECONDED BY COMMISSIONER AKILI AND CARRIED BY UNANIMOUS VOTE  
OF 4-0, WITH COMMISSIONERS DICK, NOTTLEY, AND OXBERRY BEING  
ABSENT.

Commissioner Macias expressed her appreciation to retiring Commissioner Akili for his  
efforts and dedication to the Commission.

**ADJOURNMENT**

Chair Arthur adjourned the meeting at 11:45 a.m.

Respectfully submitted,

Margaret Hill  
Executive Secretary

**Signature Available with  
Original Document**

Approved by,

Elizabeth C. Morris  
Executive Director

ECM:mh