

AGENDA



AGENDA 362

**SAN DIEGO HOUSING COMMISSION
AGENDA FOR THE REGULAR MEETING
APRIL 29, 1996
9:00 A.M.
COUNCIL COMMITTEE ROOM (12TH FLOOR)
202 C STREET
SAN DIEGO, CALIFORNIA**

ITEMS

10 **CALL TO ORDER**
(Akili, Arthur, Dick, Macias, 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 (3) 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**

- Update on the Renaissance Committee.

50 **APPROVAL OF THE MINUTES**

Approval of the Minutes of the Meetings of April 8 and 10, 1996.

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 **Award of Contract for Janitorial Services (Council Districts 4, 5, 6 and 8) (HCR96-072)**

Recommendation - Recommend Housing Authority approval of award of a three year contract, effective July 1, 1996 through June 30, 1999, with two one-year options to renew, to Cleanmex Service.

Fiscal Impact - \$114,051 budgeted in Internal Services and Development Divisions.

101 **Award of Contracts for Landscape Services (HCR96-026)**

Recommendation - Recommend Housing Authority approval of award of two, two-year contracts, effective June 20, 1996 through June 19, 1998, with one-year options to renew, to Cooley's Landscaping (\$391,046) and City Farmers Nursery (\$21,600).

Fiscal Impact - \$391,046 budgeted from various sources in the Housing Development Division for the Cooley's Landscaping, Inc.; \$21,600 budgeted from various sources in the Housing Development Division for the City Farmers Nursery.

102 **San Diego Housing Development Corporation Appointment of Board Members (Citywide) (HCR96-074)**

Recommendation - Re-appoint Kendy K. Li to a two-year term expiring 12/31/97 and appoint Linda Buckner to a two-year term expiring 12/31/97 to replace Janice P. Brown who has resigned. The Housing Commission Chair should also designate for appointment to the San Diego Housing Development Corporation a Housing Commissioner to a term to coincide with their term as a Housing Commissioner.

Fiscal Impact - None with this action.

103 **Request by Sorrento Mesa/UTC Self-Storage and Sorrento Valley Self Storage for Variances from Payment of the City's Housing Impact Fee (Council Districts 1 and 5) (HCR96-075)**

Recommendation - Approve a reduction of \$39,393.60 in the impact fee for Sorrento Mesa/UTC Self Storage and a reduction in the impact fee for Sorrento Valley Self-Storage of \$43,438.80 under Municipal Code Section 98.0616 Low Density Employment Uses Requiring Specialized Structures.

Fiscal Impact - If the recommendation is approved, a total of \$82,832.40 will be refunded or waived, resulting in a collection of \$27,610.80 in Housing Impact fees.

104 **Loan Modifications (HCR96-032 Supplemental)**

Recommendation - Adopt a policy as described in staff report regarding the terms on Housing Commission loans that are, or are in danger of becoming, financially unstable.

Fiscal Impact - None with this action.

105 **Acceptance of an Offer to Purchase 2904 Clay Avenue (Council District 8) (HCR96-068)**

Recommendation - Recommend Housing Authority acceptance of the offer by Maria DeLos Angeles Mata and Maria D. Mata of \$87,550 to purchase the property located at 2904 Clay Avenue, provide a Shared Equity Loan of \$17,510 and a Down Payment Assistance Grant of \$1,751 and authorize the Executive Director to execute the documents necessary to complete the transaction.

Fiscal Impact - Approval of the staff recommendation would result in full recovery of all loan funds and expenses and a net gain of approximately \$2,400.

106 **Refunding of \$8,600,000 Housing Authority of the City of San Diego Market Street Square Apartments Bonds (1985 Issue G) (District 2) (HCR96-076)**

Recommendation - (1) Recommend that the Housing Authority authorize the issuance of up to \$8,600,000 of multifamily housing refunding bonds to refinance the 192-unit Market Street Square Apartments located at 606 Third Avenue; (2) approve the financing team consisting of Litten Financial Consulting and Kosmont and Associates (MBE-30 percent) - financial advisors; Orrick, Herrington & Sutcliffe and Williams & Gillmore (MBE - 20 percent) - bond counsels; and Newman and Associates and M.R. Beal & Company (MBE - 15 percent) - bond underwriters for the proposed refunding.

Fiscal Impact - Approval of the refunding will result in retirement of the existing variable rate bonds and issuance of new refunding bonds at a fixed rate of interest. The refunding and sale of the new bonds would not financially obligate the City, the Housing Authority or the Housing Commission because security for the repayment of bonds would be limited to specific private revenue sources. All costs of the refunding, including compensation for the financing team members and staff in preparing the refunding will be borne by the project owner.

The Housing Commission currently receives \$10,750 annually for the administration of this bond issue. Under the refunding issue, the annual administrative fee will increase to approximately \$20,000.

107 **Extension of Letters of Credit Securing the \$43,640,000 Housing Authority La Cima Apartments Bonds (1985 Issue K) and \$51,500,000 Nobel Court Apartments Bonds (1985 Issue L) (HCR96-077)**

Recommendation - (1) Approve amendments to existing bond documents under the \$43,640,000 Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds 1985 Issue K (La Cima Apartments) and \$51,500,000 1985 Issue L (Nobel Court Apartments) in connection with the extension of letters of credit securing the bonds; (2) approve Litten Financial Consulting and Kosmont and Associates (MBE - 30 percent) - financial advisor; and Jones Hall Hill & White and Ochoa and Sillas (MBE - 20 percent) - bond counsel for the proposed amendments.

Fiscal Impact - All costs of the transaction will be borne by the project owner. The Housing Commission receives \$218,822 annually for the administration of the two bond issues which would terminate if the bonds are retired due to lack of the required credit support for the bonds.

108 **Proposed Changes in Plaza Arizona Sales/Marketing Strategy and Project Budget (Council District 3) (HCR96-073)**

Recommendation - (1) Implement the recommendations of the real estate consultant, Mesa Realty, concerning the marketing of Plaza Arizona, as described in staff report; (2) execute an amendment to the contract with Mesa Realty for Mesa to provide on-site staffing for the sales office at Plaza Arizona; (3) increase the development budget by \$357,614 to \$4,303,381, to be paid out of the revenue from sale of the units.

Fiscal Impact - The recommended actions increase the Plaza Arizona project budget by a total of \$357,614. Of this amount, \$288,106 can be deferred until units begin to produce a revenue stream. Deferring costs in this matter would reduce net sales revenue by \$288,106. The price decreases recommended by Mesa Realty would further reduce sales revenue by \$291,900, for a total reduction of \$580,006. The proposed FY97 Budget uses a conservative projection of revenue from Plaza Arizona. Therefore, no change in the Commission's proposed Budget is needed to reflect the reduced net sales revenue.

It is proposed that the remaining \$69,508 of the increase in the project budget be funded as follows: Auditor's Certificate #94-20 (consisting of HOME funds previously allocated to the Park Meridian project, which is not going forward) would be reduced by \$44,508, from \$144,000 to \$99,492; A/C #96-46, previously issued for Plaza Arizona, would be increased by \$44,508, from \$12,800 to \$167,308. \$25,000 would be funded, under a new A/C, with local funds designated for relocation in the FY96 Budget.

109 **Proposed Fiscal Year 1997 Budget (HCR96-066 Revised)**

Recommendation - (1) Adopt the FY97 Budget; (2) consider recommending that the Housing Authority delegate some level of authority to the Housing Commission to amend the FY97 Budget as recommended in staff report; (3) recommend that the Housing Authority delegate limited authority to the Executive Director to amend the FY97 Budget as recommended in staff report.

Fiscal Impact - Approval of the proposed FY97 Budget of \$94,201,041 will provide funds for the Agency to pursue the goals and objectives outlined in the proposed Budget document.

ADOPTION AGENDA - DISCUSSION/ACTION

[Items may be pulled from the Consent Agenda by Commissioners or members of the public for discussion.]

CLOSED SESSION

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

- a. Patsy Mathis v. San Diego Housing Commission; Florence Siefried; Richard McIntyre and Does 1 through 200, inclusive
Superior Court Case No. 694205
- b. Oscar Johnson v. Department of Housing & Urban Development; San Diego Housing Commission; J. Patrick Fleming, Jr.
U.S. District Court Case No. 95-3702-(RB)
- c. San Diego Housing Commission, a public agency v. Lee Cao, an individual, also known as Lynh Le Cao and Lynh Thien Cao; Diep Nguyen, an individual; Thanh Nguyen, an individual; and Does 1 through 100, inclusive
San Diego Superior Court Case No. 691845
- d. San Diego Housing Commission v. 2801 Investors, a California limited partnership, M.S. Investments II, a general partnership, John R. Nisbet, Milo P. Saling, Dixieline Lumber Company, Maintenance Warehouse/America Corporation, and Does 3 through 100, inclusive.
San Diego Superior Court Case No. 659748

II. Conference with Legal Counsel - anticipated litigation:

Significant exposure to litigation pursuant to subdivision (b) of California Government Code Section 54956.9:

- 1. One (1) matter.

III. Conference pursuant to Government Code Sections 54957 and 54954.5(e):

PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE

IV. Pursuant to Section 54957.6, Conference with Labor Negotiator:

Agency Negotiator: Carrol Vaughan

Employee Organization: Service Employees International Union (SEIU), Local 535.

ADJOURNMENT