

MINUTES



**MINUTES OF THE REGULAR MEETING
APRIL 29, 1996
202 C STREET - COUNCIL COMMITTEE ROOM
SAN DIEGO, CALIFORNIA**

PRESENT: Chair Arthur, Commissioners Akili, Dick, Macias and Tumminia. Also present: Ms. Elizabeth C. Morris, Executive Director and Mr. Charles Christensen, General Counsel

ITEMS

10 ORDER

Chair Arthur called the meeting to order at 9:05 a.m.

20 PUBLIC COMMENT

Mr. Mel Shapiro addressed the issue of renter v. homeowner assistance, favoring rental assistance, and questioning the impact of funding decisions on families currently on the Waiting List. Mr. Jack Walsh explained his need to redocket his request for a 60 day continuance for the Commission's May 13 docket, due to Tax Credit Allocation Committee delays. Written background information was requested from Mr. Walsh.

30 COMMISSIONER COMMENTS

Commissioner Akili reported on the April 24 Community College awards which included a number of participants from the Housing- Commissions' Family Self - Sufficiency program. He requested that each of the awardees receive a congratulatory letter from the Commission- Chair on behalf of all Commissioners.

40 REPORT BY THE EXECUTIVE DIRECTOR

Ms. Morris stated that the report of the Renaissance Commission will be brought forward on May 13 instead of at today's meeting. Ms. Morris asked Commissioners to consider participating in forthcoming discussions to address policy issues concerning the Waiting List. Perhaps two -or three meetings, including community

input, would be required to create a series of alternatives and to design the process for public participation. Commissioner Akili expressed his concerns regarding current rent conditions, circumstances, option and potential impacts. Ms. Morris reminded Commissioners, that the amount of assistance available to Section 8 and Public Housing Waiting List applicants is contingent in part on the funding provisions received from HUD. If we serve a wider range of incomes, more people can be served. Commissioner Dick asked for future discussion of pilot projects to address Waiting List concerns.

50 APPROVAL OF MINUTES

MOTION BY AKILI TO APPROVE THE MINUTES OF APRIL 8 AND APRIL 10, 1996; second by Tumminia..

Mr. Shapiro was recognized for comment; he requested that the minutes of April 8 be amended to indicate that Commissioner Akili had asked for status and answers to Mr. Shapiro's public comment at the April 8 meeting, not just for clarification.

Motion carried unanimously by members . present on a 5-0 vote.

ADOPTION AGENDA - CONSENT

MOTION BY COMMISSIONER DICK TO APPROVE THE FOLLOWING ITEMS BY CONSENT:

100 Award of Contract for Janitorial Services (CD 4,5,6 and 8) (HCR96-072)

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.

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

Recommend re-appointment of 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 will also designate a Housing Commissioner for appointment to the San Diego Housing Development Corporation for a term that coincides with the Commissioners current term on the Housing Commission.

105 Acceptance of Offer to Purchase 2904 Clay Avenue (CD8) (HCR96-068)

Recommend Housing Authority acceptance of the offer by Maria de Los 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.

106 Refunding of \$8.6W.000 Housing Authority of the City of San Diego Market Street Square Apartments Bonds (1985 Issue G) (CD 2) (HCR96-076)

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.

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)

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.

SECOND BY MACIAS

Motion carried unanimously by members present on a .5-0 vote.

ADOPTION AGENDA - DISCUSSION/ACTION

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

Staff report presented by Peter Economy.

Chair Arthur recognized Mr. Ray Aguilar, representing Aztec Landscaping, for public testimony. Mr. Aguilar stated that he believed Cooley Landscaping had not

complied with EEO requirements while his firm, Aztec Landscaping, was in compliance. When the contract went to bid in early 1996, changes, which he believes were minor, were made in the specifications and the bid figures were made public. Mr. Aguilar questioned this procedure. The recent bid from Cooley shows a 6% reduction in their original bid for each area.

Terry Whitesides, EEO Officer, offered extensive background review and clarification of process.

Austin Cooley, Cooley Landscaping, was asked for comment. He outlined his firm's efforts to diversify his workforce, including advertising outreach and training programs. In response to inquiry from Commissioner Macias, Mr. Cooley stated that his efforts to hire residents had not been successful due, in his opinion, to a belief that benefits would be reduced if their incomes increased. Ms. Macias encouraged staff to renew efforts to educate residents regarding this matter.

Mr. Economy explained that needed corrections in the original RFP required rejection of initial bids and subsequent legal requirement to make bid amounts public. It was also pointed out that both firms reduced their bids in the second bid process.

Chair Arthur indicated that Mr. Cooley had left the meeting and he asked Mr. Aguilar why his firm continued to have areas of underrepresentation in his workforce. Mr. Aguilar indicated that they have increased their workforce diversity to include African Americans, Asians, and Women. Mr. Whitesides noted that recent correspondence regarding auditing and reporting systems for their employment and affirmative action purposes was sent to both firms. To date, neither contractor has been deemed noncompliant. General Counsel was asked for clarification.

MOTION BY DICK TO APPROVE STAFF RECOMMENDATION; no second; motion failed

MOTION BY AKILI TO ACCEPT AWARD. OF TWO-YEAR CONTRACT FOR LANDSCAPING SERVICES AT THE MAYA APARTMENTS FROM JUNE 20, 1996 THROUGH JUNE 19,1998, WITH ONE-YEAR OPTION TO RENEW, TO CITY FARMERS NURSERY; second by Macias; Motion carried unanimously by . members present on a 5-0 vote.

No action was taken on award of contract to Cooley Landscaping. Item will be referred to May 13, 1996 docket.

103 Request by Sorrento Mesa/UTC Self-Storage and Sorrento Valley Self Storage for Variances from payment of the City's Housing Impact Fee (CD 1 and 5) (HCR96-75)

Staff report presented by Ron Barefield.

Commissioner Akili asked that future requests for fee variances stipulate the tradeoff in specific dollar amounts. Commissioner Dick clarified the legal requirements for this Pipe of variance.

MOTION BY AKILI TO APPROVE A REDUCTION OF \$39,393.60 IN IMPACT FEES 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 98.061 LOW DENSITY EMPLOYMENT USES REQUIRING SPECIALIZED- STRUCTURES;
second by Macias; motion carried unanimously by members present on 5-0 vote.

104 Loan Modifications (HCR96-032 Supplemental)

Paula Burrier-Lund presented staff report.

Chair Arthur recognized Ms. Caryl Iseman representing the San Diego Association of Realtors, for public testimony. SDAR is proposing that 1) at a regularly scheduled meeting of the Housing Commission in January of each year a schedule of all loans due be presented; and 2) that the Housing Commission retain a qualified loan underwriter to review all loans that have requests for changes.

Mr. Shapiro was recognized and testified as more fully set forth in a handout provided at time of the hearing.

Ms. Morris clarified that the Housing Commission has repayment schedules, that we do report quarterly on the status of outstanding loans, and we do seek credit reports when loan- modifications are sought..

Commissioner Dick expressed appreciation to the realtors group for bringing their experienced insights to the Commission. Additionally, he sought and received explanation from staff regarding policy contents and process for deferral requests. He requested staff to consider continuing education for our loan underwriters and required payment of application fees. Additional questions included: 1) Are qualification standards for individuals serving on the Loan Committee set forth in the appointment policy? 2) To what extent should the Executive Director have authority to approve deferral of loans without Commission approval? 3) How long should deferrals be granted? Commissioner Dick further recommended that the Executive Director be relieved of responsibility for future requests for deferrals/modifications and that all future requests go to the Loan Committee.

MOTION BY DICK TO CONTINUE THIS ITEM AND REQUEST STAFF TO REVIEW AND RETURN RECOMMENDATIONS AT A FUTURE TIME; second by Akili; passed on unanimous vote of 5-0.

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

Staff report presented by Robert Norris.

Chair Arthur recognized Mel Shapiro who gave public testimony opposing this item.

Mr. Zigmond and Mr. Marcus, from Mesa Realty, were present to respond to questions from Commissioners. Commissioner Akili asked for status reports as the project proceeds.

MOTION BY AKILI TO ACCEPT STAFF RECOMMENDATION; second by Dick; passed unanimously on 5-0 vote.

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

Ms. Morris reported that the Land Use & Housing Committee has reviewed the Budget document and has recommended that \$1,000,000 be moved from the HOME Rental Development line item to the Homeownership category. She also called Commissioners' attention to the subject of levels of authority in approving budget revisions.

Mr. Jay Powell, representing City Heights CDC, presented testimony as more fully set forth in a copy of his April 22 letter to the Mayor and City Council provided at the meeting.

Mr. Mel Shapiro presented testimony in opposition as more fully set forth in a handout provided at the meeting.

Commissioner Macias asked staff to provide a report on the Family Self-Sufficiency Program concerning the number of families assisted and the number who may have moved off of the assisted housing roll.

Ms. Morris responded to Commissioner Akili's request for clarification on the Land Use & Housing Committee recommendations. Commissioner Dick suggested that it might be useful to revisit the purpose of the HTF to reflect an emphasis on funding of homeownership opportunities. He also requested that the ratio of staff to overall budget be addressed in an effort to bring staffing percentages to 1993 budget levels.

Commissioner Dick made a motion which failed for lack of a second.

MOTION BY AKILI TO APPROVE BUDGET RECOMMENDATION; second by Macias; motion passed on 4-1 vote (Dick opposed)

MOTION BY AKILI TO REVOKE AND RECONSIDER PREVIOUS ACTION; second by Macias; motion passed unanimously.

MOTION BY AKILI TO ACCEPT BUDGET RECOMMENDATION WITH INCLUSION OF LAND USE & HOUSING RECOMMENDATION TO TRANSFER \$1,000,000 FROM THE HOME RENTAL DEVELOPMENT LINE ITEM TO THE HOMEOWNERSHIP CATEGORY; second by Macias; passed on vote of 4-1 (Dick opposed).

CLOSED SESSION

The Board adjourned into Closed Session to consider items set forth in the Closed Session Agenda:

- 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 I 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 LeCao and Lynh Thien Cao; Dio 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 Internatinal Union (SEIU)
Local 535

The following actions were taken pursuant to applicable provisions of the California Government Code:

1. With respect to items I.- a, b, c, no action was taken
2. With respect to item I.d the San Diego Housing Commission voted on a 4-0 vote (Akili abstaining) to give directions to Counsel concerning proposed settlement.
3. With respect to item 11, on vote of 5-0 Counsel was given instructions concerning anticipated litigation.
4. With respect to item III, no action was taken.
5. With respect to item IV, direction to labor negotiator was given on a vote of 5-0.

ADJOURNMENT

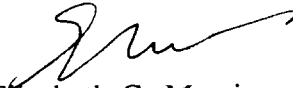
Chair Arthur adjourned the meeting at 1:10 p.m.

Respectfully submitted,



Ardeth C. Andrews
Division Secretary

Approved by,



Elizabeth C. Morris
Executive Director

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