

MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
MARCH 23, 2007, 9:00 A.M.
CITY ADMINISTRATION BUILDING
SAN DIEGO, CALIFORNIA**

ATTENDANCE

Present were Chair Sal Salas and Commissioners Jennifer Adams-Brooks, Khadija Basir, Todd Gloria, Alice Tumminia and Tony Yip. Also present were Chuck Christensen, General Counsel and President and Chief Executive Officer Elizabeth Morris.

10 CALL TO ORDER

Chair Salas called the meeting to order at 9:12 a.m.

20 PUBLIC COMMENT

None

30 COMMISSIONER COMMENTS

None

40 REPORT BY THE PRESIDENT & CHIEF EXECUTIVE OFFICER

Ms. Morris remarked on her recent trip to the annual NAHRO (National Association of Housing and Redevelopment Officials) Legislative Conference in Washington, DC with Chairman Salas, stating it's an interesting time to be in Washington, changes are palpable and there is reason to be optimistic. Ms. Morris stated that the FY07 Budget was approved, and more dollars would be added to the public housing operating fund. She also mentioned her visits with members of Congress and told them about the good work we are doing in San Diego, and about our agency's public housing proposal. She stated that NAHRO held a press conference to kick off "Housing America 2007", a national affordable housing awareness campaign. Finally, she mentioned that NAHRO issued the first annual "Legislator of the Year" award, which she was honored to present to Senator Bond, Chair of the Senate Appropriation Subcommittee who and has for many years protected funding for housing programs.

50 APPROVAL OF THE MINUTES

MOTION BY ADAMS-BROOKS TO APPROVE THE NOVEMBER 17, 2006 REGULAR MEETING MINUTES. SECONDED BY YIP AND CARRIED ON A UNANIMOUS VOTE OF 6-0.

MOTION BY ADAMS-BROOKS TO APPROVE THE DECEMBER 15, 2006 REGULAR MEETING MINUTES. SECONDED BY GLORIA AND CARRIED ON A UNANIMOUS VOTE OF 4-0 WITH TUMMINIA AND YIP ABSTAINING.

MOTION BY ADAMS-BROOKS TO APPROVE THE FEBRUARY 9, 2007 REGULAR MEETING MINUTES. SECONDED BY BASIR AND CARRIED ON A UNANIMOUS VOTE OF 5-0 WITH YIP ABSTAINING.

CONSENT AGENDA

General Counsel asked that an environmental statement be added to items 104 and 105 stating these projects are exempt from and/or excluded from the requirements of the National Environmental Protection Act (NEPA) pursuant to the applicable provisions of CFR 24 Part 58.34A1 Sections 58.35A.

In addition, pursuant to Item 104 the record should reflect that there is a substituted page 47 and 48 of the plan that is available to the public. It references the change in the Violence Against Women Act and is referenced at the bottom of page 47.

MOTION BY YIP TO APPROVE THE FOLLOWING ITEMS ON CONSENT:

100 HCR07-22 Award of Contract for Kitchen and Bathroom Upgrades at Grove Avenue (Council District 8)

Recommendations:

- 1) Recommend that the Housing Authority approve the award of a contract to Grondin Construction, Inc., in the amount of \$696,600 for kitchen and bathroom upgrades for 2381-2389 Grove Avenue.
- 2) Following final approval of the contract award by the Housing Authority, authorize the President & Chief Executive Officer to execute the contract (Attachment 1) and expend up to a ten percent contingency (\$69,660) if necessary, for items not anticipated in the original scope of work.

101 HCR07-27 Application for State of California CalHome Program Funding (Citywide)

Recommendations:

- 1) Authorize submittal of an application to the State for CalHome Program funding;
- 2) Approve a budget amendment to include the funds, if awarded; and
- 3) Authorize the President and Chief Executive Officer to execute all the necessary documents.

104 HCR07-20 FY08 Annual Agency Plan (Citywide)

Recommendations:

- Approve the FY08 Annual Agency Plan (Attachment 1) that details activities planned for the Section 8 and Public Housing programs in FY08;
- Approve the Summary of Revisions to the Section 8 Administrative Plan (Attachment 2), that details proposed changes to the Section 8 program;
- Approve the Summary of Revisions to the Public Housing Admissions and Continued Occupancy Plan (Attachment 3) that details proposed changes to the Public Housing program;
- Approve the Summary of Revision to the Project Based Voucher program (Attachment 4) that details the proposed changes to that program;
- Approve the Summary of Revision to the Family Self-Sufficiency Action Plan (Attachment 5) that details the proposed changes to that program;
- Authorize transmittal of the FY08 Annual Agency Plan, and supporting documents, to HUD before the April 17, 2007 deadline.

105 HCR07-21 FY08 Annual Action Plan for the City of San Diego

Recommendation: Staff recommends the Board recommend approval of the FY08 Action Plan to the City Council and authorize submission to HUD following such approval.

SECONDED BY ADAMS-BROOKS AND CARRIED ON A UNANIMOUS VOTE OF 6-0.

ACTION AGENDA

102 HCR07-26 Starbucks Coffee – Smart Corner Leasing Arrangements

Director of Asset Management Steve Snyder gave a staff report.

Chair Salas asked about the lease term. Steve Snyder replied that the lease term equates to initial rent of \$2.49 per square foot for the first 3 years of lease, which exceeds the project pro forma rent of \$2.00 per square foot.

Commissioner Tumminia asked about the term "use" in the proposed lease. Mr. Snyder replied that these are deal points and the lease has an attachment that lists the specific uses of the space and the 7-11 is excluded from the list because they were the first occupant.

MOTION BY YIP TO APPROVE THE FOLLOWING RECOMMENDATION: THAT THE PRESIDENT & CHIEF EXECUTIVE OFFICER (CEO) BE AUTHORIZED TO EXECUTE LEASE DOCUMENTS BETWEEN THE HOUSING COMMISSION AND STARBUCKS, FOR RETAIL SPACE AT THE SMART CORNER BUILDING LOCATED AT 1122 BROADWAY, ON TERMS SET FORTH IN THIS REPORT AND ATTACHMENT 1 AND IN A LEASE FORM AS APPROVED BY GENERAL COUNSEL TO THE COMMISSION. THE LEASE WOULD HAVE A TEN-YEAR INITIAL TERM AND FOUR 5-YEAR OPTIONS TO RENEW. SECONDED BY BASIR AND CARRIED ON A UNANIMOUS VOTE OF 6-0.

103 HCR07-23 Request for Modification of Shared Equity Loan for 3238 Island Avenue (Council District 8)

Loan Management Supervisor Vicki Monce gave a staff report.

Commissioner Yip asked if interest is charged on these loans. General Counsel stated, under the exemption usury law, if interest is added to the equity share loan it would exceed the statutory amount under the Civil Code section 9017.006.

MOTION BY TUMMINIA TO APPROVE THE FOLLOWING RECOMMENDATIONS: 1) ALLOW REPAYMENT OF SHARED EQUITY LOAN FUNDS AND EQUITY SHARE FROM THE SALE OF 3238 ISLAND AVENUE TO NATIVITY PREP ACADEMY TO BE REINVESTED INTO A REPLACEMENT HOME; AND 2) MODIFY LOAN TERMS AND CONDITIONS FOR THE REPLACEMENT LOAN TO HAVE A 30 YEAR LOAN TERM, A 15 YEAR EQUITY SHARING PROVISION AND TO FORGIVE \$140,577 OF LOAN FUNDS IF THE BORROWER OCCUPIES THE REPLACEMENT HOME FOR 15 YEARS. SECONDED BY ADAMS-BROOKS AND CARRIED ON A UNANIMOUS VOTE OF 6-0.

106 HCR07-28 Amendment of Affordability Restrictions for Very Low Income Non-Special Purpose Housing Projects

Director of Housing Finance and Development Cissy Fisher gave a report.

Mr. Cecil Steppe representing Urban Housing Corps stated he was in favor and supports the recommendation.

Mr. Jay Powell representing City Heights Community Development Corporation stated he was not opposed to the recommendation and is looking forward to working with staff to make quality living environments.

MOTION BY ADAMS-BROOKS TO APPROVE THE FOLLOWING RECOMMENDATION:
RAISE AFFORDABILITY LEVELS TO A MAXIMUM OF 50% AMI ON THE RENTAL
HOUSING PROPERTIES LISTED IN THE ATTACHMENT 1 TO THIS REPORT IF THE
CHANGE IS DEEMED TO BE IN THE BEST INTEREST OF THE HOUSING
COMMISSION. SECONDED BY BASIR AND CARRIED ON A UNANIMOUS VOTE 6-0.

CLOSED SESSION

The San Diego Housing Commission convened in closed session to discussion the following agenda:

- a. Conference with Legal Counsel-Existing Litigation pursuant to subdivision (c) of 54954.5 Government Code and subdivision (a) of Section 54956.9:

Hasan Kahn v. San Diego Housing Commission.
San Diego Superior Court, Case No. GIC852825

BY A VOTE OF 6-0 BOARD GAVE DIRECTION TO COUNSEL.

- b. Conference with Legal Counsel-Existing Litigation pursuant to subdivision (c) of 54954.5 Government Code and subdivision (a) of Section 54956.9:

J&J Properties A, LLC v. San Diego Housing Commission, et al
San Diego Superior Court, Case No. GIC858800

BY A VOTE OF 6-0 BOARD GAVE DIRECTION TO COUNSEL.

ADJOURNMENT

Chair Salas adjourned the regular meeting at 10:43 a.m.

Respectfully submitted,



Angie Risotti
Executive Assistant to the President and CEO

Approved by,



Elizabeth Morris
President and CEO