

MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
JUNE 15, 2007, 9:00 A.M.
CITY ADMINISTRATION BUILDING
SAN DIEGO, CALIFORNIA**

ATTENDANCE

Present were Chair Sal Salas and Commissioners Jennifer Adams-Brooks, Khadija Basir, Alice Tumminia and Tony Yip. Also present were Walter Spath, Deputy General Counsel, and President and Chief Executive Officer Elizabeth Morris. Commissioner Gloria was absent.

10 CALL TO ORDER

Chair Salas called the meeting to order at 9:17 a.m.

20 PUBLIC COMMENT

None

30 COMMISSIONER COMMENTS

Commissioner Adams-Brooks congratulated the Housing Commission for its participation in projects recently receiving the San Diego Housing Federation's Outstanding Affordable Housing & Community Development Awards Lillian Place, Fairbanks Ridge and Veterans Village. She also congratulated Todd Philips on receiving the John Craven Memorial Award, named for a deceased Housing Commission employee and given to an outstanding public employee who has taken risks and has gone above and beyond the call of duty to assist affordable housing developments.

40 REPORT BY THE PRESIDENT & CHIEF EXECUTIVE OFFICER

Ms. Morris talked briefly about her discussions regarding sustainable funding for the homeless winter shelter funding with various parties. She announced the recent hiring of John Pfeiffer as Director of Financial Services and Lenny Moore as Director of Rental Assistance.

50 APPROVAL OF THE MINUTES

MOTION BY YIP TO APPROVE THE APRIL 27, 2007 SPECIAL MEETING MINUTES. SECONDED BY BASIR AND CARRIED ON A UNANIMOUS VOTE OF 5-0 WITH GLORIA ABSENT.

CONSENT AGENDA

MOTION BY YIP TO APPROVE THE FOLLOWING ITEMS ON CONSENT:

101 HCR07-42 U.S. Department of Housing & Urban Development's 2007 Super Notice of Funding Availability (SuperNOFA) Continuum of Care Applications for Shelter Plus Care Program

Recommendations:

1. Ratify seven (7) applications to HUD which will fund the Shelter Plus Care Program under the City's Continuum of Care. The applications include \$769,500 for one (1) new Shelter Plus Care grant and \$1,204,908 for six (6) Shelter Plus Care renewal grants.

2. Request approval to forward to Housing Authority for authorization to revise the FY08 Housing Commission Budget to reflect the addition of awarded funds which require Housing Authority authorization and authorize the Chief Executive Officer (CEO) to execute all required documents

102 HCR07-52 Approval of FY08 Asset Management Project and Central Office Cost Center Budgets

Recommendations: That the Housing Commission approve the proposed FY08 Asset Management Project (AMP) and Central Office Cost Center (COCC) Budgets prepared for the public housing program in accordance with Operating Fund Rule (24 CFR Part 990) and HUD Handbook 7475.1.

105 HCR07-45 The Cove Supportive Housing Development, 5288 El Cajon Council District 3)

Recommendations:

1. Recommend Housing Authority approval of a transfer of ownership and substitution of loan approval from Jewish Family Services to its development partner, The Association of Community Housing Solutions (TACHS), for The Cove Supportive Housing Development, formerly

known as Hope Village, 5288 El Cajon Boulevard (Council District 3), and;

2. Authorize the subordination of the San Diego Housing Commission loan to the State of California Multifamily Housing Program (MHP) and the Mental Health Services Act (MHSA) should it be necessary, in accordance with the new financing program requirements.

3. Authorize the President and Chief Executive Officer, or designee, to execute any and all documents necessary for these individual and separate transactions.

SECONDED BY ADAMS-BROOKS AND CARRIED ON A UNANIMOUS VOTE OF 5-0 WITH GLORIA ABSENT.

ACTION AGENDA

100 HCR07-51 Pension Consultant Contract Amendment

Senior Project Analyst Craig Velte gave a staff report.

Commissioner Yip asked about the increase in the contract amount. Mr. Velte replied that the scope of services expanded.

MOTION BY YIP TO APPROVE THE FOLLOWING RECOMMENDATION: AMEND SECTION 103, OF THE HOUSING COMMISSION'S CONTRACT WITH THE EPLER COMPANY TO INCREASE THE RATE OF COMPENSATION FROM A NOT TO EXCEED SUM OF EIGHTY EIGHT THOUSAND, FIVE HUNDRED DOLLARS (\$88,500) TO ONE HUNDRED FIFTY THREE THOUSAND, FIVE HUNDRED DOLLARS (\$153,500) FOR THE SPECIFIED THREE-YEAR PERIOD OF THE CONTRACT. SECONDED BY BASIR AND CARRIED ON A UNANIMOUS VOTE OF 5-0 WITH GLORIA ABSENT.

103 HCR07-43 Renaissance at North Park Senior Apartments, 4330 30th Street (Council District 3)

Project Manager Carlos C. deBaca gave a staff report.

Commissioner Tumminia asked if any of the tenants needed to be moved around. Mr. de Baca replied that the tenants were not impacted.

MOTION BY YIP TO APPROVE THE FOLLOWING RECOMMENDATIONS: 1) APPROVE A REVISION TO THE DECLARATIONS OF COVENANTS, CONDITIONS AND RESTRICTIONS TO REFLECT THE ADJUSTMENT OF HOME UNITS FROM NINE (9) TWO-BEDROOM UNITS AND TWO (2) ONE-BEDROOM UNITS TO SEVEN (7) TWO-BEDROOM UNITS AND FOUR (4) ONE-BEDROOM UNITS AT THE RENAISSANCE AT NORTH PARK SENIOR APARTMENTS, 4330 30TH STREET (COUNCIL DISTRICT 3);

AND 2) AUTHORIZE THE PRESIDENT AND CHIEF EXECUTIVE OFFICER, OR DESIGNEE, TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO FACILITATE THIS REVISION. SECONDED BY ADAMS-BROOKS AND CARRIED ON A UNANIMOUS VOTE OF 5-0 WITH GLORIA ABSENT.

104 HCR07-44 YWCA Transitional Housing Development (Confidential Address)

Project Manager Carlos C. deBaca gave a staff report.

Staff responded to questions asked by Commissioners Yip, Adams-Brooks and Tumminia regarding the loan amount.

Commissioner Basir asked when the environmental review will be completed. Mr. deBaca replied the project will be completed by August 22, 2007.

MOTION BY YIP TO APPROVE THE FOLLOWING RECOMMENDATIONS: 1) TO ADD \$100,000 TO THE \$1,686,000 PERMANENT LOAN AMOUNT AND APPROVE A GAP LOAN OF UP TO \$400,000; AND 2) AUTHORIZE THE PRESIDENT AND CHIEF EXECUTIVE OFFICER, OR DESIGNEE, TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO MAKE THE APPROVED LOAN. SECONDED BY BASIR AND CARRIED ON A UNANIMOUS VOTE OF 5-0 WITH GLORIA ABSENT.

106 HCR07-46 Mayberry Apartments, 4328-4390 Mayberry Street (Council District 4)

Project Manager Carlos C. deBaca gave a staff report.

Commissioner Adams-Brooks asked when the project will start cash flowing. Mr. deBaca stated based on the pro forma, the project will start cash flowing by 2008. Ms. Morris added the difference in cash flow is minimal and this action will help stabilize the development.

MOTION BY TUMMINIA TO APPROVE THE FOLLOWING RECOMMENDATIONS: 1) FORWARD TO THE HOUSING AUTHORITY, A RECOMMENDATION FOR APPROVAL OF A REVISION TO THE CURRENT LOAN TERMS TO ALLOW FOR A LOAN RE-FINANCE BY SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION (SEDC), 2) RECOMMEND A PRO-RATA SHARING OF RESIDUAL RECEIPTS PAYMENTS FOR A SECOND SEDC LOAN; AND, 3) AUTHORIZE THE PRESIDENT AND CHIEF EXECUTIVE OFFICER, OR DESIGNEE, TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY FOR THESE INDIVIDUAL AND SEPARATE TRANSACTIONS. SECONDED BY BASIR AND CARRIED ON A UNANIMOUS VOTE OF 5-0 WITH GLORIA ABSENT.

107 HCR07-50 Preliminary Items Pursuant to Issuing Multifamily Housing Revenue Bonds for Colina Park North Apartments (Council District 7)

Supervising Project Manager Peter Armstrong gave a staff report.

Commissioner Adams-Brooks asked if tracking the quality of the rehab of the units is done. Mr. Armstrong stated that it's a state requirement to monitor the projects that use tax exempt bonds.

MOTION BY ADAMS-BROOKS TO THE FOLLOWING RECOMMENDATIONS: **1). a.** FORWARD TO THE HOUSING AUTHORITY, A RECOMMENDATION TO APPROVE A BOND INDUCEMENT RESOLUTION (A "DECLARATION OF OFFICIAL INTENT") FOR UP TO \$5 MILLION IN MULTIFAMILY HOUSING REVENUE BONDS FOR ACQUISITION AND REHABILITATION OF THE COLINA PARK NORTH APARTMENTS BY HAMILTON SAN DIEGO APARTMENTS, LLC (HAMILTON LLC); **b.** HOUSING AUTHORITY APPROVE AN APPLICATION (AND SUBSEQUENT APPLICATIONS IF NECESSARY) TO THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE (CDLAC) FOR AN ALLOCATION OF AUTHORITY TO ISSUE TAX-EXEMPT "PRIVATE ACTIVITY BONDS" IN AN AMOUNT UP TO \$5 MILLION FOR COLINA PARK NORTH APARTMENTS; AND, **c.** CITY COUNCIL HOLD A PUBLIC HEARING (*KNOWN AS A TEFRA HEARING - TAX EQUITY AND FISCAL RESPONSIBILITY ACT*) AND ADOPT A RESOLUTION APPROVING THE ISSUANCE OF TAX-EXEMPT BONDS IN AN AMOUNT UP TO \$5 MILLION BY THE HOUSING AUTHORITY FOR COLINA PARK NORTH APARTMENTS LOCATED AT 4333 DAWSON AVENUE IN THE CITY OF SAN DIEGO. **2)** HOUSING COMMISSION APPROVE THE FINANCING TEAM OF STRADLING YOCCA CARLSON AND RAUTH AS BOND COUNSEL AND CSG ADVISORS AS FINANCIAL ADVISOR TO BEGIN WORK ON THE PROJECT. SECONDED BY YIP AND CARRIED ON A UNANIMOUS VOTE OF 5-0 WITH GLORIA ABSENT.

108 HCR07-49 Preliminary Items Pursuant to Issuing Multifamily Housing Revenue Bonds for Boulevard Apartments (Council District 3)

Supervising Project Manager Peter Armstrong gave a staff report.

Chair Salas asked about the unit size. Ms. Ronda Connelly, representing Chelsea Investments, stated one-bedroom units are 660 sq. ft.; two-bedroom units are 831 sq. ft.; and three-bedroom units are 1,071 sq. ft.

Commissioner Yip asked about the high construction costs. Ms. Connelly stated the primary reason for high costs is that the structure is four stories with sub-terrain parking.

MOTION BY BASIR TO APPROVE THE FOLLOWING RECOMMENDATIONS: **1) A.** FORWARD TO THE HOUSING AUTHORITY, A RECOMMENDATION TO APPROVE A BOND INDUCEMENT RESOLUTION (A "DECLARATION OF OFFICIAL INTENT") FOR UP TO \$7 MILLION IN MULTIFAMILY HOUSING REVENUE BONDS FOR DEVELOPMENT OF THE BOULEVARD APARTMENTS, BY S.V.D.P. MANAGEMENT, INC. (SVDP) AND CHELSEA INVESTMENT CORPORATION (CHELSEA); **B.** HOUSING AUTHORITY APPROVE AN APPLICATION (AND SUBSEQUENT APPLICATIONS IF NECESSARY) TO THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE ("CDLAC") FOR AN ALLOCATION OF AUTHORITY TO ISSUE TAX-EXEMPT "PRIVATE ACTIVITY BONDS" IN AN AMOUNT UP TO \$7 MILLION FOR THE BOULEVARD APARTMENTS; AND, **C.** CITY COUNCIL HOLD A PUBLIC HEARING (*KNOWN AS A*

TEFRA HEARING - TAX EQUITY AND FISCAL RESPONSIBILITY ACT) AND ADOPT A RESOLUTION APPROVING THE ISSUANCE OF TAX-EXEMPT BONDS IN AN AMOUNT UP TO \$7 MILLION BY THE HOUSING AUTHORITY FOR THE BOULEVARD APARTMENTS LOCATED AT 3133-3137 EL CAJON BOULEVARD IN THE CITY OF SAN DIEGO. 2) HOUSING COMMISSION APPROVE A FINANCING TEAM OF QUINT & THIMMIG LLP AS BOND COUNSEL AND ROSS FINANCIAL AS FINANCIAL ADVISOR TO BEGIN WORK ON THE PROJECT. SECONDED BY ADAMS-BROOKS AND CARRIED ON A UNANIMOUS VOTE OF 5-0 WITH GLORIA ABSENT.

109 HCR07-36 Residual Receipts Loan for the Acquisition and Rehabilitation of Villa Nueva Apartments (Council District 8)

Project Manager Carlos C. deBaca gave a staff report.

Chair Salas asked about the rent structure. Ms. Wendy DeWitt replied that if a 20-year HAP Contract is obtained from HUD the actual rent levels paid by the tenant would be based on 30% of the household income.

Commissioner Yip asked about the construction contingency reserves. Mr. deBaca stated that if contingency reserve is not used, it would be applied to Housing Commission loan.

Commissioner Yip asked about the allocation of operating reserves. Mr. Christopher Hilbert, representing Steadfast Companies, stated that the lender requires three months of operating expenses and debt service. Additionally, TCAC has a reserve requirement that has to be funded as well.

Chair Salas asked about the total scope of the rehab. Mr. Hilbert replied the most exciting thing is converting the property to solar power. Rehabilitation will also include upgrading kitchen and bath, sewer repairs, paint, new windows and replacing the roofs and furnaces.

Ms. Andrea Skorepa, representing Casa Familiar, thanked staff for working so diligently on the project and the Board's support of the bond financing. She expressed concerns regarding the provisions for the social service programs funding amount.

Commissioners asked questions of staff and developers regarding the social service funding amount. Mr. Hilbert and Ms. Skorepa responded to their questions.

MOTION BY YIP TO APPROVE THAT THE SAN DIEGO HOUSING COMMISSION RECOMMEND THE FOLLOWING: 1) FORWARD TO THE HOUSING AUTHORITY, A RECOMMENDATION FOR APPROVAL OF: A) A RESIDUAL RECEIPTS LOAN OF UP TO \$9,210,000 TO STEADFAST VILLA NUEVA, L.P. A CALIFORNIA LIMITED PARTNERSHIP, TO FUND THE ACQUISITION AND REHABILITATION OF VILLA NUEVA APARTMENTS, LOCATED AT 3604 BEYER BOULEVARD; AND B) AUTHORIZING THE PRESIDENT AND CHIEF EXECUTIVE OFFICER, OR DESIGNEE, TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO MAKE THE APPROVED LOAN. 2) THAT THE HOUSING COMMISSION APPROVE A CHANGE TO

THE PREVIOUSLY APPROVED FINANCING TEAM TO SUBSTITUTE ROSS FINANCIAL FOR PUBLIC FINANCIAL MANAGEMENT TO WORK AS FINANCIAL ADVISOR ON THE PROJECT 3) AMEND THE PROJECT PRO FORMA TO: A) DROP MONITORING FEES OF \$19,182 AND ALLOW THE FUNDS TO BE USED FOR RESIDENT SERVICES; AND B) ALLOW \$60,000 IN GRANT INCOME TO BE DEDICATED TO RESIDENT SERVICES BEFORE PAYMENT OF RESIDUAL RECEIPTS. SECONDED BY ADAMS-BROOKS AND CARRIED ON A UNANIMOUS VOTE OF 5-0 WITH GLORIA ABSENT.

CLOSED SESSION

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

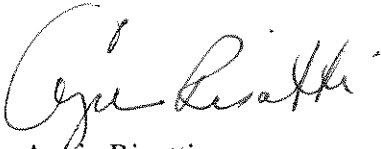
Conference with Labor Negotiators-Pursuant to Government Code Section 54957.6:
Agency Representatives: Terry Whitesides for the San Diego Housing Commission
Employee Organization: Social Services Union, Local 535, AFL-CIO

NO ACTION TAKEN, INFORMATIONAL ONLY

ADJOURNMENT

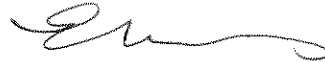
Chair Salas adjourned the regular meeting at 12:12 p.m.

Respectfully submitted,



Angie Risotti
Executive Assistant to the President and CEO

Approved by,



Elizabeth Morris
President and CEO