



**SAN DIEGO  
HOUSING  
COMMISSION**

## **MINUTES**

**SAN DIEGO HOUSING COMMISSION  
MINUTES OF THE REGULAR MEETING  
APRIL 8, 2016  
SMART CORNER  
4<sup>th</sup> FLOOR CONFERENCE ROOM  
1122 BROADWAY  
SAN DIEGO, CALIFORNIA 92101**

### **ATTENDANCE**

**Present:**

Chair Gary Gramling  
Vice Chair Roberta Spoon  
Commissioner Margaret Davis  
Commissioner Kellee Hubbard  
Commissioner Dorothy Surdi  
Commissioner Frank Urtasun  
President & CEO Richard C. Gentry  
General Counsel Charles Christensen

**Absent:**

Commissioner Ben Moraga

### **10 CALL TO ORDER**

Chair Gramling called the Regular Meeting to order at 9:11 a.m.

### **20 NON-AGENDA PUBLIC COMMENT**

Martha Welch spoke about housing.

### **30 COMMISSIONER COMMENTS**

#### **Report by Commissioner Hubbard – Independence Point Grand Opening**

Commissioner Hubbard attended the grand opening of Independence Point in Lincoln Park on March 30, 2016. The San Diego Housing Commission (SDHC) partnership development with Chelsea Investment Corporation provides 31 affordable townhomes and apartments for low-income San Diegans. It is the first residential development in Southern California to provide affordable housing specifically for families with members who have developmental disabilities, including cerebral palsy, epilepsy, autism, and intellectual disabilities.

#### **Report by Chair Gramling and Commissioner Davis – San Diego Square Grand Reopening**

Chair Gramling and Commissioner Davis participated in the grand reopening of San Diego Square Senior Apartments, which SDHC and its nonprofit affiliate, Housing Development



SAN DIEGO  
HOUSING  
COMMISSION

## Regular Meeting Minutes of April 8, 2016

Partners (HDP), commemorated on April 4, 2016. San Diego Square was modernized to preserve 154 affordable apartments for low-income seniors, which will remain affordable for 65 years. The top-to-bottom overhaul was the first for San Diego Square since it was built in 1979.

Chairman Gramling, Commissioner Davis, and President & CEO Gentry accepted a proclamation from the U.S. Department of Housing and Urban Development for excellence in service for the renovation of San Diego Square. Joining them for the grand reopening and ribbon cutting were U.S. Representative Scott Peters, San Diego Mayor Kevin Faulconer, City Councilmember Todd Gloria; and Marcie Chavez, Director of HUD's Los Angeles Office of Public Housing. President & CEO Gentry thanked Emily S. Jacobs, HDP's Director of Asset Management, for her work on San Diego Square.

### **40      REPORT BY PRESIDENT & CHIEF EXECUTIVE OFFICER**

#### **Tracey McDermott promoted to Chief Financial Officer**

Tracey McDermott has been promoted to Chief Financial Officer for SDHC, five months after she was appointed as Interim Financial Officer. She will be overseeing a team of 27 employees in the Financial Services Department.

#### **“Housing Our Heroes” – Mayor’s Landlord-Outreach Meeting**

President & CEO Gentry joined San Diego Mayor Kevin Faulconer, City Councilmember Todd Gloria, and former Mayor Jerry Sanders, the President and CEO of the San Diego Regional Chamber of Commerce, at a meeting on April 7, 2016, to reach out to landlords and landlord associations for the “Housing Our Heroes” campaign of The 1,000 Homeless Veterans Initiative. About 30 landlords participated in the meeting.

The 1,000 Homeless Veterans Initiative is a new initiative of HOUSING FIRST – SAN DIEGO, SDHC's landmark three-year Homelessness Action Plan (2014-17).

Chairman Gramling noted that landlord outreach efforts on local television stations and in *The San Diego Union Tribune* newspaper are informing the public about the “Housing Our Heroes” campaign.

#### **Update on Renovations to Hotel Churchill**

The shoring has been taken down around the renovation of the historical Hotel Churchill in Downtown San Diego, which will be opening in late July. SDHC, working with HDP, is rehabilitating the historical Hotel Churchill to create 72 permanent affordable housing studios for homeless individuals, including 56 units for Veterans; 8 units for youth aging out of foster care; and 8 units for adults exiting the corrections system who will also need supportive services.

#### **Grand Opening of Rancho Del Sol**

SDHC and Chelsea Investment Corporation commemorated the grand opening of the SDHC partnership development Rancho Del Sol on March 25, 2016. Rancho Del Sol provides 95



Regular Meeting Minutes of April 8, 2016

affordable apartments in Pacific Highlands Ranch in the northern part of the city of San Diego. Rancho Del Sol furthers the City of San Diego's policy of creating more economically balanced communities that offer opportunities to all San Diegans

**CONSENT AGENDA:**

Motion by Commissioner Surdi to approve the items listed below on consent. Seconded by Commissioner Urtasun and passed by a vote of 6-0:

**100    HCR16-029    Proposed Fiscal Year 2017 Affordable Housing Fund Annual Plan**

That the San Diego Housing Commission (Housing Commission) take the following actions:

- 1) Recommend approval of the Proposed Fiscal Year 2017 (FY 2017) Affordable Housing Fund (AHF) Annual Plan (Annual Plan) Program Activity Allocation of \$44,976,671 in anticipated funds (also included in the FY 2017 Housing Commission Proposed Budget) and the proposed Model Programs; and
- 2) Authorize the President & Chief Executive Officer (President & CEO) to reallocate funds among the proposed Model Programs included in the FY 2017 AHF Annual Plan in response to market demands and opportunities.

**101    HCR16-015    Disposition of Hotel Metro**

That the San Diego Housing Commission (Housing Commission) authorize the sale of Hotel Metro, located at 434 and 435 13<sup>th</sup> Street, San Diego, 92101 pursuant to terms and conditions in Hotel Metro Real Estate Disposition Policy PO-RED-300.104.

**104    HCR16-031    Amendment to Protective Services Contract**

That the San Diego Housing Commission (Housing Commission) take the following actions:

- 1) Approve an amendment to the Bald Eagle Security Services (Bald Eagle Security) contract that increases the not-to-exceed contract amount to \$150,000 for the one-year contract term that expires on June 30, 2016;
- 2) Authorize the President & Chief Executive Officer (President & CEO), or designee, to substitute the funding sources with other available funding sources so long as the total program/project budget amount after substitution does not exceed the approved total budget, should the operational need arise or should such actions be to the benefit of the Housing Commission and its mission. Funding substitutions will be memorialized in an Informational Report at the next scheduled Housing Commission Board Meeting; and





## Regular Meeting Minutes of April 8, 2016

- 3) Authorize the President & CEO, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and make such actions as are necessary and/or appropriate to implement these approvals.

### **50      APPROVAL OF THE MINUTES**

The minutes of the Regular Housing Commission meeting of March 11, 2016, were approved on a motion by Vice Chair Spoon, seconded by Commissioner Davis, and passed by a vote of 6-0.

### **ACTION ITEMS:**

#### **102      HCR16-036    Vista Terrace Hills - Preliminary Bond Items**

Deborah Ruane, Senior Vice President, Real Estate Division, and Ted Miyahara, Director of Housing Finance, Real Estate Division, presented the report for approval.

Motion by Vice Chair Spoon to take the following staff-recommended actions, with conditions. Seconded by Commissioner Urtasun and approved by a vote of 6-0.

That the San Diego Housing Commission (Housing Commission) recommend the Housing Authority of the City of San Diego (Housing Authority) take the following actions, as described in this report.

- 1) Approve the following steps to issue Housing Authority tax-exempt multifamily housing revenue bonds for this project:
  - 1) Issue a bond inducement resolution (Declaration of Official Intent) for up to \$100,000,000 in multifamily housing revenue bonds for the development of Vista Terrace Hills by a limited partnership formed by Eden Housing, Inc.
  - 2) Authorize 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 \$100,000,000 for Vista Terrace Hills;
  - 3) Approve the financing team of Jones Hall as Bond Counsel and CSG Advisors as Financial Advisor; and
  - 4) Request that the San Diego City Council (City Council) hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of multifamily housing revenue bonds in an amount up to \$100,000,000; and



Regular Meeting Minutes of April 8, 2016

- 2) Authorize the Housing Commission President & Chief Executive Officer (President & CEO), or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by General Counsel and bond counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of General Counsel and/or the bond counsel.

The Housing Commission Board directed staff work with Eden Housing, Inc. to address the following issues before the proposed development is brought back to the Housing Commission Board for final bond authorization: explore options to reduce the cost of the development; guarantee that the \$10 million deferred developer fee will be reinvested in affordable housing in the city of San Diego; and set aside units for families with income of 30 percent San Diego's Area Median Income or less.

**103    HCR16-023    Final Bond Authorization for Vista La Rosa**

Ted Miyahara, Director of Housing Finance, Real Estate Division, and Cameron Shariati, Project Manager, Real Estate Division, presented the report for approval.

Motion by Vice Chair Spoon to take the following staff-recommended actions. Seconded by Commissioner Hubbard and approved by a vote of 6-0.

That the San Diego Housing Commission (Housing Commission) recommend the Housing Authority of the City of San Diego (Housing Authority) authorize the issuance of up to \$48,756,000 in tax-exempt multifamily housing revenue bonds/note to fund acquisition and the rehabilitation of Vista La Rosa, a 240-unit multifamily affordable housing rental development, located at 2002 Rimbey Avenue in the Otay Mesa-Nestor community, which will remain affordable for 55 years.

**105    HCR16-037    Workshop & Discussion: Article 34 Proposed Ballot Measure**

Wendy G. Dewitt, Director of Business and Program Development, Real Estate Division, presented the report.

SDHC is working with the City of San Diego on a proposed ballot measure for the November 2016 ballot to increase the capacity to construct low-rent housing in the city of San Diego, in compliance with Article 34 of the State Constitution, which was adopted by voters on November 7, 1950.

**NO ACTION WAS TAKEN ON THE PART OF THE HOUSING COMMISSION**



Regular Meeting Minutes of April 8, 2016

**106    HCR16-033    Workshop & Discussion: San Diego Housing Commission Proposed Fiscal Year 2017 Budget**

Jeff Davis, Chief Executive Officer, and Tracey McDermott, Chief Financial Officer, presented a report regarding the proposed Fiscal Year 2017 Budget for the San Diego Housing Commission.

**NO ACTION WAS TAKEN ON THE PART OF THE HOUSING COMMISSION**

**Closed session items were introduced in open session and members of the public were given the opportunity to make public comment on the matters before the Housing Commission convened in closed session. There were no public comments made.**

**CLOSED SESSION**

IV.    The San Diego Housing Commission convened in closed session to consider the following agenda:

- A. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION pursuant to subdivision (c) of section 54954.5 of the Government Code and pursuant to subdivision (d)(2) of section 54956.9:

One (1) potential matter.

Counsel's Description of General Nature of Closed Session:

Counsel will discuss potential litigation arising out of Bayview Community Development Corporation related to its affordable housing located on Stork Street.

This was an informational item. No action was taken.

- B. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION pursuant to subdivision (c) of section 54954.5 of the Government Code and pursuant to subdivision (d)(1) of section 54956.9:

Four (4) matters:

*Marian L. Malzahn, et al. vs. San Diego Housing Commission, et al.*, Superior Court of California, County of San Diego, Case No. 37-2013-00079570-CU-WT-CTL;

*Maria T. Ahamed vs. San Diego Housing Commission*, Superior Court of California, County of San Diego, Case No. 37-2014-00033188-CU-WT-CTL;



**Regular Meeting Minutes of April 8, 2016**

*Lawanda M. Tucker vs. San Diego Housing Commission, et al.*, Superior Court of California, County of San Diego, Case No. 37-2015-00018608-CL-MC-CTL; and

*Marcus Bollinger, et al. vs. Smart Corner Owners Association, Smart Corner Owners Association vs. San Diego Housing Commission, et al.* Superior Court of California, County of San Diego, Case No. 37-2015-00025175-CL-BC-CTL

Counsel's Description of General Nature of Closed Session:

Counsel will discuss the existing litigation, will report on status and will seek direction from the Commission concerning the same.

These were informational items. No action was taken.

**C. CONFERENCE WITH LABOR NEGOTIATORS pursuant to subdivision (f) of section 54954.5 of the Government Code:**

Agency Representatives: Rick Gentry, Jeff Davis, Michael McKenna, Tina Holmes, Charles B. Christensen and Joel Mason for the San Diego Housing Commission

Employee Organization: Social Services Union, Local 221, AFL-CIO

Counsel's Description of General Nature of Closed Session: Agency Representatives will seek direction from the Commission concerning labor negotiations.

This was an informational item. No action was taken.

**V. Announcement of Actions Taken in Closed Session.**

**VI. Adjournment.**

**ADJOURNMENT:**

Chair Gramling adjourned the Regular Meeting at 11:50 a.m.





SAN DIEGO  
HOUSING  
COMMISSION

Regular Meeting Minutes of April 8, 2016

Respectfully submitted,

Maria Velasquez  
Senior Vice President  
Communications and Legislative Affairs &  
Chief Communications Officer  
San Diego Housing Commission

Approved by,

Richard C. Gentry  
President & Chief Executive Officer  
San Diego Housing Commission