



SAN DIEGO
HOUSING
COMMISSION

MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
MAY 6, 2016
SMART CORNER
4th 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 9:07 a.m.

20 NON-AGENDA PUBLIC COMMENT

There were no non-agenda public comments.

30 COMMISSIONER COMMENTS

There were no Commissioner comments

40 REPORT BY PRESIDENT & CHIEF EXECUTIVE OFFICER

2016 Moving to Work (MTW) Annual Conference

President & CEO Gentry joined MTW public housing agencies at the annual MTW Conference in Washington, D.C., on April 21-22, 2016. A special reception recognized Congressional leaders from across the country for supporting innovation, housing choice opportunities, and family self-reliance programs by preserving and extending the MTW contracts of 39 public housing agencies,



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including the San Diego Housing Commission, with the U.S. Department of Housing and Urban Development (HUD).

Visit from ChamberRVA

SDHC hosted an informational visit from ChamberRVA, the regional chamber of commerce of Richmond, Virginia. The delegation included nearly three dozen civic and business leaders from the Virginia capital region. SDHC presentations included SDHC's public housing conversion; affordable housing partnerships and funding; HOUSING FIRST – SAN DIEGO, SDHC's three-year Homelessness Action Plan; the SDHC Achievement Academy and tour; and a walking tour of nearby SDHC partnership developments.

Proposed Article 34 Ballot Measure for Affordable Housing Capacity

The San Diego City Council has taken a step forward to put a ballot measure on the November ballot that would increase the capacity to construct affordable housing in the city of San Diego to 38,680 additional affordable housing units. The City Council unanimously voted to direct the City Attorney to draft proposed ballot language for the measure. Article 34 of the California State Constitution requires voter approval to increase the capacity to build low-rent housing that is developed, constructed or acquired by a public agency in the state.

Congressional Testimony – Subcommittee on Housing and Insurance

President & CEO Gentry was invited to testify before the U.S. House of Representatives Committee on Financial Services' Subcommittee on Housing and Insurance. The hearing, which took place May 12, 2016, compared affordable housing strategies in the United Kingdom and the United States.

CONSENT AGENDA:

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

100 HCR16-043 Approval of Increased Job Order Contracting Annual Contract Capacity

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) Authorize the President & Chief Executive Officer (President & CEO), or designee, to enter into intergovernmental cooperative purchasing agreements with the contractors referenced within this report based upon procurements previously competitively bid and awarded by the National Joint Powers Alliance (NJPA);



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- 2) Authorize contract amendments to increase the maximum annual contract capacity from \$500,000 to \$2 million for each of the contracts listed below and previously approved, Housing Commission Job Order Contracting (JOC) contracts:
 - JOC Contract No. JOC-14-03 with Grondin Construction Company, Inc.
 - JOC Contract No. JOC-15-01 with Vincor Construction, Inc.
 - JOC Contract No. JOC-16-01 with Vincor Construction, Inc.
 - JOC Contract No. JOC-16-02 with The Augustine Company
 - JOC Contract No. JOC-16-03 with Sylvester Roofing Company, Inc.
 - JOC Contract No. JOC-16-04 with Angeles Contractor, Inc.
 - JOC Contract No. JOC-16-05 with Good-Men Roofing & Construction, Inc.
 - JOC Contract No. JOC-16-06 with Angeles Contractor, Inc.
 - JOC Contract No. JOC-16-07 with Vincor Construction, Inc.
- 3) Authorize the President & CEO, or designee, to substitute the identified contract funding sources with other available funding sources as long as the total activity budget amount after substitution does not exceed the total approved budget, should the operational need arise, or should actions be to the benefit of the Housing Commission and its mission; and
- 4) Authorize the President & CEO, or designee, to execute all JOC contracts and job order documents and instruments necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and take such actions as are necessary and/or appropriate to implement these approvals.

103 HCR16-038 First-Time Homebuyer Assistance Award of Funding for COMM22 For-Sale Housing

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

- 1) Approve Housing Commission first-time homebuyer assistance for 11 homebuyers in the form of 3 percent interest, deferred-payment loans of up to \$70,000 per loan with a total project investment not to exceed \$770,000;
- 2) Approve a funding commitment of up to \$770,000 in U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnerships Program funds;
- 3) Approve a minimum buyer cash investment of \$3,000 per unit to be used toward closing costs;



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- 4) Authorize the President and Chief Executive Officer (President & CEO), or designee, to reinvest original principal balance loan proceeds, upon future sale of any given unit, pursuant to this staff report and Housing Commission First-Time Homebuyer Program guidelines in effect at the time of sale;
- 5) Authorize the President & CEO, or designee, to:
 - a. Execute any and all documents necessary to effectuate the transaction and implement the project in a form approved by General Counsel, and to take such actions as are necessary, convenient and/or appropriate to implement the approvals upon advice of General Counsel; and
 - b. Substitute approved funding sources with any other available funds as deemed appropriate, and contingent upon budget availability, and further authorize the President & CEO, or designee, to take such actions as are necessary, convenient and/or appropriate to implement this approval and delegation of authority by the Housing Commission upon advice of General Counsel.

105 HCR16-040 Proposed Fiscal Year 2017 Budget

That the San Diego Housing Commission (Housing Commission) recommend that the Housing Authority of the City of San Diego (Housing Authority) take the following actions:

- 1) Approve the Housing Commission's proposed \$368 million Fiscal Year (FY) 2017 Budget (Attachment 1);
- 2) Delegate authority to the Housing Commission to approve amendments to the FY 2017 Budget for the following amounts, consistent with prior delegation of authority from the Housing Authority:
 - a. Line item transfers not to exceed \$500,000 of budget authority that do not impact the overall size of the Housing Authority approved FY 2017 Budget;
 - b. Additional funding for the FY 2017 Budget resulting from applications submitted with the approval of the Housing Authority (per Housing Authority Resolution 1569); and
 - c. Additions from other sources, not to exceed \$500,000 on an individual basis, to the FY 2017 Budget; and
- 3) Delegate authority to the President & Chief Executive Officer of the Housing Commission to amend the FY 2017 Budget for amounts not to exceed \$100,000, consistent with policies, programs and activities approved by the Housing Commission and Housing Authority.



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106 HCR16-047 San Diego Municipal Code Section 98.0301 and 98.0302 Amendments

That the San Diego Housing Commission (Housing Commission) recommend the San Diego City Council (City Council) approve revisions to San Diego Municipal Code Sections 98.0301 and 98.0302 to update specific sections and streamline the Housing Commission's administrative processes.

Motion by Commissioner Urtasun to approve the following item on consent, which was pulled by Chair Gramling to allow a comment from members of the public. Seconded by Commissioner Davis and approved by a vote of 6-0.

107 HCR16-019 Memorandum of Understanding with Service Employees International Union, Local 221

That the San Diego Housing Commission (Housing Commission) recommend that the Housing Authority of the City of San Diego (Housing Authority) take the following actions:

- 1) Approve the proposed tentative three-year Memorandum of Understanding (MOU) [Attachment 1 - Tentative Agreement and Attachment 2 - Redline of MOU] between the Housing Commission and Service Employees International Union (SEIU), Local 221 (collectively "Parties");
- 2) Authorize the President & Chief Executive Officer (President & CEO), or designee, to implement the changes being proposed for represented employees and implement them for the non-represented employees of the Housing Commission as well, as has been the past practice of the Housing Commission;
- 3) Authorize the 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, as approved by the Housing Commission Board of Commissioners from time to time; and
- 4) 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 to take such actions as are necessary and/or appropriate to implement these approvals.



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50 APPROVAL OF THE MINUTES

The minutes of the Regular Housing Commission meeting of April 8, 2016, and the Special Housing Commission Meeting of April 8, 2016, were approved on a motion by Commissioner Surdi, seconded by Commissioner Hubbard, and passed by a vote of 6-0.

Closed session items were introduced in open session at 9:19 a.m. 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:

Two (2) potential matters.

Counsel's Description of General Nature of Closed Session:

Counsel will discuss potential litigation arising out of property/project identified as the West Mountain View Project.

Counsel will also discuss with the Commissioners potential litigation against Royal Property Management, Inc. and will seek direction from the Board

The Housing Commission Board met in closed session and discussed the West Mountain View Project. The Board voted 5-0, with Commissioner Urtasun not present and not participating, to authorize General Counsel to take any and all actions necessary to protect the interests of the San Diego Housing Commission, including but not limited to the initiation of litigation.

In addition, the board took the following action:

The Board gave authority to General Counsel, with the approval of the President & Chief Executive Officer of the San Diego Housing Commission to enter into negotiation with the parties involved with the Mountain View Project to come to a potential resolution of the matter, provided that it is done expeditiously.



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The Board did not discuss any other Closed Session items.

V. Announcement of Actions Taken in Closed Session.

VI. Adjournment.

Chair Gramling adjourned the Closed Session at 10:22 a.m.

Chair Gramling reconvened the Regular Meeting in open session at 10:25 a.m. with Commissioners Moraga and Urtasun not present.

ACTION AGENDA:

101 HCR16-042 Bella Vista Apartments - Preliminary Bond Items

Ann Kern, Vice President, Real Estate Finance and Program Development, and J.P. Correia, Real Estate Manager, presented the request for approval.

Motion by Vice Chair Spoon to take the following staff-recommended actions. Seconded by Commissioner Surdi and passed by a vote of 5-0.

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, which are administered by the State, for Bella Vista Apartments (Bella Vista), including:
 - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$23,300,000 in tax-exempt Multifamily Housing Revenue Bonds for acquisition and rehabilitation of Bella Vista by Bella Vista Affordable Communities L.P., (BVAC) a California limited partnership;
 - b. 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 Multifamily Housing Revenue Bonds, administered by the State, in an amount of up to \$23,300,000 for Bella Vista;
 - c. Approve a bond financing team of Stradling, Yocca, Carlson & Rauth as bond counsel, and CSG Advisors as bond financial advisor;
 - d. 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 Housing Authority's issuance of tax-exempt bonds for Bella Vista;
 - e. Final issuance of the tax-exempt Multifamily Housing Revenue Bonds will require Housing Commission and Housing Authority final approval at a later date;



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- 2) Authorize the Housing Commission's President & Chief Executive Officer (President & CEO), or his designee:
 - a. To execute any and all documents and instruments, as approved by the President & CEO, General Counsel, and bond counsel, and to authorize the President & CEO to perform such acts as are necessary, convenient and/or appropriate to implement the approvals upon advice of the General Counsel; and
 - b. To adjust terms/conditions as necessary for consistency with requirements of third-party funding sources or to accommodate market changes that may occur after this report but before close of escrow.

102 HCR16-041 Reverend Glenn Allison Apartments - Preliminary Bond Items

Ann Kern, Vice President, Real Estate Finance and Program Development and Cameron Shariati, Real Estate Manager, presented the item for approval.

Motion by Vice Chair Spoon to take the following staff-recommended actions. Seconded by Commissioner Davis and passed by a vote of 5-0.

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, which are administered by the State, for Reverend Glenn Allison Apartments (Glenn Allison):
 - 1) Issue a bond inducement resolution (Declaration of Official Intent) for up to \$9,000,000 in Multifamily Housing Revenue Bonds for the development of Glenn Allison by a limited partnership formed by Wakeland Housing & Development Corporation (Wakeland);
 - 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 \$9,000,000 for Glenn Allison;
 - 3) Approve the financing team of Quint & Thimmig LLP as Bond Counsel and Ross Financial as Financial Advisor;
 - 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 \$9,000,000; and



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- 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.

104 HCR16-045 Portfolio Management Division - FY 2017 Capital Expenditures Plan

Emmanuel Arellano, Director of Portfolio Management, and Hanan Bowman, Asset Strategy Manager, presented the request for approval.

Motion by Vice Chair Spoon to take the following staff-recommended actions. Seconded by Commissioner Surdi and passed by a vote of 5-0.

That the San Diego Housing Commission (Housing Commission) recommends that the Housing Authority of the City of San Diego (Housing Authority) approve the following actions:

- 1) Authorize the Housing Commission President & Chief Executive Officer (President & CEO), or designee, without further action by the Housing Commission Board of Commissioners or the Housing Authority, to award contracts concerning the completion of the capital needs referenced in the report "Proposed FY 2017 Capital Expenditures" for Fiscal Year (FY) 2017 (July 1, 2016 – June 30, 2017) and any future years provided that:
 - a. Funds for the contracts are contained within Housing Authority approved budgets for FY 2017 and thereafter; and,
 - b. The Housing Commission's procurement methods, as set forth within the approved Statement of Procurement Policy, are followed in connection with each proposed contract; and,
- 2) By the approval of this matter, grant the President & CEO, or designee, the right and power to expend all funds approved by the Housing Authority contained within the 2017 Portfolio Management Department's Capital Expenditure Budget, as approved by the Housing Authority without further approvals by the Housing Commission Board or the Housing Authority;
- 3) Authorize the President & CEO, or designee, to substitute approved funding sources with any other available funds as deemed appropriate, and contingent upon budget availability, and further authorize the President & President & CEO, or designee, to take such actions as are necessary, convenient and/or appropriate to implement this approval and delegation of authority by the Housing Commission upon advice of General Counsel; and
- 4) Authorize the President & CEO, or designee, to execute all documents and instruments necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions necessary and/or appropriate to implement these approvals in connection with the implementation of the FY17 Capital Expenditures Plan.



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108 HCR16-039 Classification and Compensation Study

Housing Commission President & CEO Richard C. Gentry, and Housing Commission General Counsel Chuck Christensen, presented the request for approval.

Motion by Vice Chair Spoon to take the following staff-recommended actions. Seconded by Commissioner Davis and passed by a vote of 5-0.

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

- 1) Approve the Classification and Compensation Pay Plan for Represented Employees effective July 1, 2016, attached to this Report as Attachment 1;
- 2) Authorize the President & Chief Executive Officer of the Housing Commission (President & CEO), or designee, to take such actions as are necessary to implement the recommendations contained within the Classification and Compensation Study, effective July 1, 2016, as referenced and described within this report and as delineated on Attachment 2-Summary of Study Recommendations to be Implemented;
- 3) Approve the revised job titles and all pay ranges, except the Executive and Management Service (EMS) Schedule included within Attachment 3, effective July 1, 2016;
- 4) Approve all revised job titles and pay ranges as included in Attachment 4 for EMS, effective July 1, 2016;
- 5) Approve Attachment 6, which is the revised Job Titles and Pay Ranges for all employees to be effective July 1, 2016-To Be Attached to the FY 2017 Budget to be heard by the Housing Authority;
- 6) Authorize the President & CEO, or designee, to take such actions as are necessary to implement the recommendations. This authority is being sought from the Housing Commission Board of Commissioners (Board) based upon the authority granted by the Housing Authority of the City of San Diego (Housing Authority), when it approved the Housing Commission Personnel Policy Handbook and as authorized in Housing Authority Resolution HA-1419, approved by the Housing Authority on April 21, 2009. The cited resolution granted authority over personnel issues to the Housing Commission Board;
- 7) Authorize the 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, as approved by the Housing Commission Board from time to time; and
- 8) 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



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by General Counsel, and to take such actions as are necessary and/or appropriate to implement these approvals.

109 HCR16-048 Mountain View Properties General Partner Removal Request

Motion by Commissioner Spoon to postpone this item until the next meeting of the San Diego Housing Commission. Seconded by Commissioner Davis and approved by a vote of 5-0.

110 HCR16-046 Workshop & Discussion: San Diego Housing Commission Achievement Academy

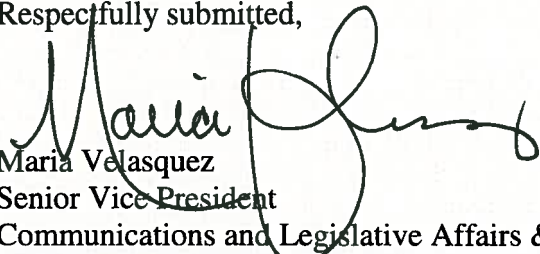
A workshop was presented to provide an overview of the San Diego Housing Commission (SDHC) Achievement Academy's new programs and services provided to Federal Section 8 Housing Choice Voucher and public housing participants, along with program outcomes.

NO ACTION WAS TAKEN ON THE PART OF THE HOUSING COMMISSION

ADJOURNMENT:

Chair Gramling adjourned the Regular Meeting at 11:55 a.m.

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