

**HOUSING AUTHORITY
OF THE CITY OF SAN DIEGO
REGULAR MEETING MINUTES
TUESDAY, AUGUST 2, 2011**

The Regular Housing Authority Meeting was called to order at 2:23 p.m.

ATTENDANCE

Councilmembers Lightner, Council President Pro Tem Faulconer, Gloria, Council President Young, DeMaio, Zapf and Emerald were present. Councilmember Alvarez was absent.

Adoption:

1. Approval of the minutes of:

June 21, 2011 Regular Meeting

June 27, 2011 Special Meeting

2. HAR11-038 – Application for State of California CalHome Program Funds

That the San Diego Housing Commission ("Housing Commission"):

1. Submit an application to HCD for \$1,500,000 in CalHome Program funds;
2. Authorize the President and Chief Executive Officer of the Housing Commission, or designee, to execute all necessary documents, to receive the funds for homeownership; and
3. Amend the Fiscal Year 2012 Homeownership Loan and Grant Budget to include the CalHome funds, if awarded.

No staff report was requested.

Vicki Monce, Loan Management Supervisor answered questions regarding fund availability.

MOTION BY COUNCILMEMBER ALVAREZ TO APPROVE THIS ITEM SECONDED BY COUNCILMEMBER EMERALD AND CARRIED BY A UNANIMOUS VOTE OF 8-0.

3. HAR11-037 - FY2012 Memorandum of Understanding with S.E.I.U. Local 221

Housing Authority approval and ratification of the proposed Memorandum of Understanding between the San Diego Housing Commission and Service Employees International Union, Local 221 regarding terms and conditions of employment for Fiscal Year 2012.

Richard Gentry, President & CEO and Carrol Vaughan, Executive Vice President & COO presented a staff report.

Councilmember Gloria asked a variety of questions regarding the presented changes to the MOU. He stated for the record that Housing Commission' staff are not City employees and not a part of the City's defined benefits plan.

Councilmember DeMaio stated that the Housing Commission was on the right track in moving towards performance based compensation. However, he did not agree with some of the justifications for some of the salary increases that would be awarded.

Councilmember Alvarez stated that this was a move in the right direction and encouraged his colleagues to support this item.

Councilmember Emerald asked questions regarding the changes proposed towards the tuition reimbursement component of the MOU.

MOTION BY COUNCILMEMBER GLORIA TO APPROVE THIS ITEM. SECONDED BY COUNCILMEMBER EMERALD AND CARRIED BY A VOTE OF 5-3 WITH COUNCIL PRESIDENT PRO TEM FAULCONER AND COUNCILMEMBERS DEMAIO AND ZAPF VOTING NAY.

4. HAR11-035 - Refinance of the San Diego Housing Commission ("Smart Corner") Office Building

1. Approval of new loan from GE Commercial Finance Business Property Corporation ("GE") or any other qualified lender on terms substantially similar to the terms outlined in this report.
2. Approval to fund the difference between the new loan and payoff of existing loan to lender (U.S. Bank) of up to \$5,000,000 with Section 8 Move to Work funds as outlined in the FY2012 Budget.
3. If the new loan closes prior to the maturity date of the currently existing loan (November 1, 2011) loan, approval to pay any prepayment penalty required by the currently existing loan terms as outlined in the Interest Rate and Currency Exchange Agreement of the existing loan.
4. If new loan does not close by the maturity date of the currently existing loan (November 1, 2011), authorization for the San Diego Housing Commission to extend the existing loan and to pay loan fees and points associated with such extension.
5. Authorization for the San Diego Housing Commission ("Housing Commission") to encumber the Maya Apartments located at 10101 Maya Linda Road, San Diego, California as additional collateral for the new loan.
6. Approval to pay loan fees, costs and expenses, including but not limited to the financing fee to NorthMarq Realty Services, Inc., required to effect the closing of the new loan.
7. Authorization for the President and Chief Executive Office of the San Diego Housing Commission, or designee, to execute all documents, in a form as approved by General Counsel, and to perform all acts necessary, convenient and/or appropriate to implement approvals.

Mr. Gentry presented a staff report.

Debbie Ruane, Vice President Real Estate assisted with Councilmember questions.

The Office of the Independent Budget Analyst also presented a report and stated they were in support of this item.

Councilmembers asked a variety of questions regarding the terms of the loan.

MOTION BY COUNCILMEMBER GLORIA TO APPROVE THIS ITEM. SECONDED BY COUNCILMEMBER EMERALD AND CARRIED BY A VOTE OF 7-0 WITH COUNCILMEMBER DEMAIO NOT PRESENT.

Adjournment

Council President Young adjourned the Regular Meeting at 3:05 p.m.