

MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
MARCH 14, 2008, 9:00 A.M.
SMART CORNER
SAN DIEGO, CALIFORNIA**

ATTENDANCE

Present were Chair Sal Salas and Commissioners Jennifer Adams-Brooks, Khadija Basir and Tony Yip. Also present were Walter Spath, General Counsel and Interim President and CEO Carrol Vaughan. Commissioner Todd Gloria was absent.

10 CALL TO ORDER

Chair Salas called the meeting to order at 9:07 a.m.

20 PUBLIC COMMENT

None

30 COMMISSIONER COMMENTS

Commissioner Basir announced that she had recently attended Community Housing Works First-Time Home Buyer's seminar stating they are doing an outstanding job in the community.

Commissioner Adams-Brooks gave an update on the progress of the Selection Committee and will keep the board informed of their progress.

40 REPORT BY INTERIM PRESIDENT & CHIEF EXECUTIVE OFFICER

Ms. Vaughan mentioned that the Mayor's Office is close to appointing new commissioners.

She also mentioned the Housing Commission's Fiscal Year 2007 audit will be going before the City's Audit Committee on March 24, 2008.

50 APPROVAL OF THE MINUTES

MOTION BY ADAMS-BROOKS TO APPROVE THE FEBRUARY 1, 2008 REGULAR MEETING MINUTES. SECONDED BY YIP AND CARRIED ON A UNANIMOUS VOTE OF 4-0 WITH GLORIA ABSENT.

MOTION BY YIP TO APPROVE THE FEBRUARY 22, 2008 SPECIAL MEETING MINUTES. SECONDED BY ADAMS-BROOKS AND CARRIED ON A UNANIMOUS VOTE OF 4-0 WITH GLORIA ABSENT.

ACTION AGENDA

MOTION BY ADAMS-BROOKS TO APPROVE THE FOLLOWING ITEMS ON CONSENT:

100 HCR08-42 California State Association of Counties (CSAC) Excess Insurance Authority and California Public Entity Insurance Authority

Recommendation: The Housing Commission ratify a sole source contract in an among not to exceed ONE HUNDRED SIXTY THOUSAND DOLLARS AND NO CENTS (160,000) with Alliant Insurance Services for the purpose of procuring, through CSAC, All Risk Property Insurance including Flood and Earthquake on Real & Personal Property, Rental Income, Transit, EDP, Media & Extra Expense (Sabotage and Terrorism insurance) on all Housing Commission properties, including Smart Corner (at an additional cost of \$25,000) with effective dates of March 31, 2008 to March 31, 2009.

101 HCR08-23 Appointment of Loan Committee Members (Citywide)

Recommendation: Appointment of Brian Wood, and reappointment of Jahi Akobundu, Linnie Arcangel Gavino, Rosemary Johnston, Joseph Frederick Oliver, Paul Shipstead and Nicole Wright, to the Loan Committee for two-year terms.

102 HCR08-31 Budget Revision – First Time Homebuyer Program

Recommendation: Housing Commission and Housing Authority approval of an amendment to the Fiscal Year 2008 Housing Commission budget to increase the Homeownership Loans and Grants by \$1,132,500 from \$5,439,130 to \$6,571,630 and to place \$67,500 in reserves for administration of the CCDC Downtown First Time Homebuyer Program.

104 HCR08-26 Mobile Home Parks Policy 300.401

Recommendations: Authorize Commission Interim President and CEO to recommend approval to the Housing Authority to amend Mobile Home

Park Policy 300.401, as shown on the attached Draft Revised Policy (Attachment A). The proposed revision includes:

- an option allowing park owners to purchase the mobile home for an agreed upon price in-lieu of paying a forty-two month subsidy. The mobile home owner may sell the mobile home to the park owner and forfeit the relocation subsidy or sell the mobile home to a third party in addition to receiving the relocation subsidy;
- monitoring compliance and technical assistance fees; and
- applicant reimbursement for expenses incurred for legal and/or consultant review of relocation plans.

SECONDED BY YIP AND CARRIED ON A UNANIMOUS VOTE OF 4-0 WITH GLORIA ABSENT.

ACTION AGENDA

Chair Salas asked that Item #103 be heard after Item #108 and Item # 107 be heard after Item #103.

105 HCR08-25 Proposed Amendments to San Diego Housing Trust Fund Ordinance to Increase Income Limits for Homebuyer Programs

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

Commissioner Adams-Brooks asked if the increase income limits would have a financial impact on the regular funding patterns. Ms. Fisher stated this is a decision made after the budget is prepared. Chair Salas added that is a self-funding program and in the past monies have been moved out of this program for gap financing.

Commissioner Yip asked if we are participating in the shared appreciation. Ms. Fisher stated yes.

Commissioner Yip stated it was a good idea to review the proposed change in 2013.

MOTION BY BASIR TO APPROVE BY THE FOLLOWING RECOMMENDATIONS: 1) AMEND CITY MUNICIPAL CODE CHAPTER 9 ARTICLE 8 DIVISION 5 "SAN DIEGO HOUSING TRUST FUND" TO ALLOW HOUSING TRUST FUND MONIES TO BE USED TO ALLOW MODERATE INCOME HOUSEHOLDS (FAMILIES WITH INCOMES OF 80 PERCENT TO 120 PERCENT OF AREA MEDIAN INCOME) TO PARTICIPATE IN THE HOUSING COMMISSION'S WORKFORCE HOUSING HOME PURCHASE PROGRAM, WHEREBY THE HOUSING COMMISSION CAN PROVIDE SECONDARY FINANCING FOR UP TO 15 PERCENT OF THE PURCHASE PRICE AND DOWN PAYMENT ASSISTANCE; AND 2) AMEND CITY MUNICIPAL CODE CHAPTER 9 ARTICLE 8 DIVISION 5 SECTION 98.0504 SO THAT UP TO 20 PERCENT OF THE FUNDS IN THE HOUSING TRUST FUND ACCOUNT COULD BE EXPENDED TO ASSIST MODERATE

INCOME FIRST-TIME HOMEBUYERS. SECONDED BY YIP AND CARRIED ON A UNANIMOUS VOTE OF 4-0 WITH GLORIA ABSENT.

106 HCR08-36 Inclusionary Housing

Director of Policy and Public Affairs Todd Philips gave a staff report.

Redevelopment Agency Affordable Housing Project Manager, Michelle St. Bernard discussed concerns regarding student housing restrictions and for-sale units.

The board asked numerous questions of staff and Ms. Bernard regarding the Inclusionary Housing Ordinance.

Chair Salas asked that this item be tabled and brought back to the board on April 4, 2008.

108 HCR08-41 Amendment to Ground Lease to Streamline Affordable Rent Calculation for the Rancho Del Rio Mobile Home Park – 204 Calle Primera

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

MOTION BY YIP TO APPROVE THE FOLLOWING RECOMMENDATIONS: **1)** CHANGE THE INDEX USED FROM THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS (CPI-U) TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) AREA MEDIAN INCOME (AMI) TO ALIGN WITH THE STANDARD HOUSING COMMISSION RENT RESTRICTION FORMULA; **2)** REQUIRE LESSEE TO COMMENCE PAYING AN ADMINISTRATIVE FEE OF SIXTY-FIVE DOLLARS (\$65) PER UNIT PER YEAR TO THE HOUSING COMMISSION, TO BE CONSISTENT WITH THE HOUSING COMMISSION'S OCCUPANCY MONITORING FEES AND PRACTICES; **3)** ALLOW LESSEE TO MAKE MONTHLY GROUND LEASE RENT PAYMENTS DIRECTLY TO THE CITY AUDITOR'S OFFICE TO AVOID DUPLICATING EFFORTS BY LESSEE AND HOUSING COMMISSION; AND **4)** REQUIRE LESSEE TO PERFORM ANNUAL RECERTIFICATION OF ALL TENANTS, TO ENSURE THAT AFFORDABLE UNITS ARE CONTINUALLY OCCUPIED BY ELIGIBLE TENANTS AND TO BE CONSISTENT WITH CURRENT MONITORING PRACTICES. SECONDED BY BASIR AND CARRIED ON A UNANIMOUS VOTE OF 4-0 WITH GLORIA ABSENT.

103 HCR08-20 2007 Annual Audit Reports

Director of Financial Services John Pfeiffer gave a staff report.

Since the auditors were not able to be on-site prior to the Board meeting, the Audit Committee (Commissioner Yip) participated in a conference call with the auditors prior to today's meeting. Commissioner Yip stated, given the size of the organization and its complexities, the Housing Commission was given a clean audit, adding that there were no audit findings and commended staff on a job well done.

Commissioner Yip also mentioned that there are still some internal control issues on the operation of the IT area that need to be addressed to make it 100% effective. Finally, he stated that next year's audit is going to be a challenge primarily due to the City Council time restraints.

MOTION BY YIP TO ACCEPT THE FISCAL YEAR 2007 AUDIT REPORTS PREPARED BY THE REZNICK GROUP, AN INDEPENDENT AUDIT FIRM AND DISTRIBUTE THE REPORT TO THE HOUSING AUTHORITY AND INTERESTED PARTIES. SECONDED BY BASIR AND CARRIED ON A UNANIMOUS VOTE OF 4-0 WITH GLORIA ABSENT.

107 HCR08-24 Workshop Discussion: Underwriting Housing Rehabilitation Loans in the Current Housing Market

Senior Program Analyst Lyle Knudson and Housing Construction Officer Frank Ballow gave a staff report.

Commissioners asked various questions of staff regarding the underwriting of rehabilitation loans.

NO ACTION TAKEN

CLOSED SESSION

The San Diego Housing Commission did not convene in closed session.

ADJOURNMENT

Chair Salas adjourned the regular meeting at 11:04 a.m.

Respectfully submitted,



Angie Risotti
Executive Assistant to the President and CEO

Approved by,



Carrol M. Vaughan
Interim President and CEO