

MINUTES

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

ATTENDANCE

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

10 CALL TO ORDER

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

20 COMMISSIONER COMMENTS

Chair Salas asked staff about the possibility of petitioning Center City Development Corp. (CCDC) to release the Smart Corner second floor leasing restrictions to allow for leasing to tenants other than non-profit or government organizations.

30 PUBLIC COMMENT

Mr. Daniel Koett, a resident at Belden Village, expressed his concerns about management at Belden Village. Chair Salas commented that correspondence had been received from him and asked that Ms. Vaughan and Mr. Daniel Morales review Mr. Koett's issues.

40 REPORT BY INTERIM PRESIDENT & CHIEF EXECUTIVE OFFICER

Ms. Vaughan mentioned that the Housing Commission held its first press conference at Smart Corner yesterday to announce the creation of the Rehab Program in San Ysidro funded by the Redevelopment Agency. Ms. Vaughan reminded the board of the Special Housing Commission/Housing Authority Closed Session Meeting that will be held on Friday, July 18, 2008 at the City Administration Building at 1:00 pm for the purpose of interviewing finalists for the CEO position. Finally, she mentioned that a few final changes have been made to the FY2009-2011 Business Plan based on direction from the Housing Authority.

50 APPROVAL OF THE MINUTES

MOTION BY ADAMS-BROOKS TO APPROVE THE JUNE 6, 2008 REGULAR MEETING MINUTES. SECONDED BY GLORIA AND CARRIED ON A UNANIMOUS VOTE OF 5-0.

CONSENT AGENDA

MOTION BY YIP TO APPROVE THE FOLLOWING ITEMS ON CONSENT:

101 HCR08-70 Housing Authority Insurance Group Procurement for Insurance

Recommendation: That the Housing Commission ratify a sole source contract in the amount of \$169,044 with the Housing Authority Insurance Group (HAIG) for the purpose of procuring Commercial Liability, Employment Practices, Public Official's Errors and Omissions, Terrorism and Mold or Other Fungus, insurance effective from July 1, 2008 through June 30, 2009.

102 HCR08-69 Award of Contract for the Provision and Installation of Stoves at Various Housing Commission Sites (Citywide)

Recommendations:

1. That the Housing Commission recommends the Housing Authority approve the award of a contract to Standards Of Excellence, Inc. in the amount of \$678,016 for the provision and installation of stoves at various Housing Commission sites.
2. Authorize the Interim President & Chief Executive Officer to execute the contract (Attachment 1) and expend up to a ten percent contingency (\$67,801) if necessary, for items not anticipated in the original scope of work.
3. Request approval to forward to Housing Authority to authorize the Interim President and Chief Executive Officer to amend the FY09 budget to provide for this contract.

Commissioner Basir asked how long it will take to install the stoves in the units. Mr. Snyder replied at least 90 days to complete.

Commissioners asked about the installation and disposing of the stoves and process controls. Mr. Snyder replied that the unit price includes the installation and disposing of the stoves and that detailed controls were in place to ensure there are no theft problems either at installation or subsequent move outs.

103 HCR08-67 Application for Funding to the U.S. Department of Housing and Urban Development

1. Ratify grant application for \$396,000 submitted to HUD under the FY08 SuperNOFA.
2. Authorize the Interim President & Chief Executive Officer to revise the FY09 Housing Commission budget to reflect the awarded funds (Attachment 1) and execute all required documents.

SECONDED BY BASIR AND CARRIED ON A UNANIMOUS VOTE OF 5-0.

ACTION AGENDA

100 HCR08-58 Amendments to the Multifamily Mortgage Revenue Bond Policy (Citywide)

Supervising Project Manager Peter Armstrong, and Peter Ross, representing Ross Financial gave a staff report.

Commissioners asked questions of staff and Mr. Ross regarding the bond resolution time savings benefits, developer benefits, investment risks and eligible costs.

MOTION BY GLORIA TO APPROVE AND RECOMMEND TO THE HOUSING AUTHORITY FOR APPROVAL OF PROPOSED AMENDMENTS TO THE MULTIFAMILY MORTGAGE REVENUE BOND POLICY IN THE FOLLOWING TWO AREAS: 1) AMEND THE REQUIREMENTS FOR UNRATED PRIVATE PLACEMENTS TO ADDRESS CURRENT MARKET PRACTICES; AND 2) DELEGATE AUTHORITY TO THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE HOUSING COMMISSION TO STREAMLINE THE BOND INITIATION PROCESS IN ORDER TO BETTER SERVE THE AFFORDABLE HOUSING DEVELOPMENT COMMUNITY. ADDITIONAL CHANGES HAVE BEEN MADE TO THE FORMATTING AND ORGANIZATION OF THE POLICY. THE AMENDED POLICY IS INCLUDED AS ATTACHMENT 1. SECONDED BY BASIR AND CARRIED ON A UNANIMOUS VOTE OF 5-0.

104 HCR08-65 Proposed Revisions to the First Time Homebuyer Program (Citywide)

Loan Management Supervisor Vicki Monce gave a staff report.

Commissioner Adams-Brooks asked when the 42 percent debt-to-income ratio ceiling was established. Ms. Monce replied that in 1992 the policy was originally created and the total debt ratio was 40 percent of the homebuyer's income. The policy was revised in 1999 to increase the debt ratio to 42 percent. The proposed revision would allow loan requests that meet all underwriting criteria, to include a debt ratio up to 45 percent.

Chair Salas asked about the shared equity and shared appreciation loan programs. Ms. Fisher replied that the Shared Equity Program was created in April 1992 and is reaching its fifteenth year. Since inception, the Housing Commission has received about \$16 million from the program. She added that the Housing Commission is focusing on the Shared Appreciation Program helping homebuyers with incomes at 80 percent of area median income and we hope to expand the eligibility to homebuyers with incomes at 120 percent of area median income by gaining Housing Authority approval of the increase in eligibility levels.

MOTION BY GLORIA TO APPROVE THE FOLLOWING RECOMMENDATIONS: 1) MODIFY LOAN TERMS FOR DEFERRED SECOND LOAN PROGRAM FROM SHARED APPRECIATION TO A THREE PERCENT (3%) INTEREST DEFERRED LOAN; AND 2) AMEND THE HOUSING PROGRAM LENDING AUTHORITY POLICY 600.101 UNDERWRITING APPROVAL THRESHOLDS TO ALLOW THE CHIEF EXECUTIVE OFFICER, OR DESIGNEE TO APPROVE A FIRST TIME HOMEBUYER PROGRAM LOAN WITH AN OWNER DEBT-TO-INCOME RATIO UP TO 45 PERCENT (CURRENTLY 42 PERCENT). SECONDED BY BASIR AND CARRIED ON A UNANIMOUS VOTE OF 5-0.

CLOSED SESSION

The San Diego Housing Commission convened in closed session.

- a. Conference with Legal Counsel- Public Employee Performance Evaluation Pursuant to Government Code Section 54957 and Subdivision (e) of Government Code Section 54954.5

Performance Evaluation of interim President and Chief Executive Officer of the San Diego Housing Commission

THIS ITEM WAS NOT DISCUSSED AND WAS CONTINUED TO AUGUST 15, 2008.

- b. Conference with Legal Counsel-Existing Litigation pursuant to subdivision (c) of 54954.5 Government Code and subdivision (a) of Section 54956.9:

*San Diego Housing Commission, et al., v. Mohammad Mabhoodi, et al.
San Diego Superior Court, Case No. 37-2008-00078385-CU-OR-CTL*

BY A VOTE OF 5-0 THE BOARD GAVE DIRECTION TO COUNSEL CONCERNING A PROPOSED RESOLUTION OF THE LITIGATION.

- c. Conference with Legal Counsel- Anticipated Litigation Claim pursuant to subdivision (c) of Government Code Section 54954.5 and subdivision (c) of Government Code Section 54956.9:

Anticipated Litigation against Bank of America regarding real property commonly known as 14682 Via Fiesta, No. 10, San Diego, California 92127

BY A VOTE OF 5-0 THE BOARD GAVE INSTRUCTION TO COUNSEL TO INITATE LITIGATION.

d. Conference with Labor Negotiators-Pursuant to Government Code Section 54957.6:

Agency Representatives: Terry Whitesides, Tina Holmes and Sean D. Schwerdtfeger for the Commission

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

BY A VOTE OF 5-0 THE BOARD GAVE DIRECTION TO AUTHORIZE A TENTATIVE RESOLUTION OF THE MEET AND CONFER PROCESS AND TO BRING THE MATTER BACK TO THE HOUSING COMMISSION FOR AN ACTION IN OPEN SESSION ON A PROPOSED SIDE LETTER AGREEMENT WITH THE UNION.

ADJOURNMENT

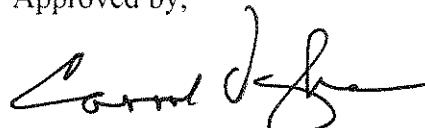
Chair Salas adjourned the regular meeting at 10:39 a.m.

Respectfully submitted,



Angie Risotti
Executive Assistant to the President and CEO

Approved by,



Carrol M. Vaughan
Interim President and CEO