

# MINUTES

**SAN DIEGO HOUSING COMMISSION  
MINUTES OF THE REGULAR AND SPECIAL MEETING  
JUNE 19, 2009, 9:00 AM  
SMART CORNER  
SAN DIEGO, CALIFORNIA**

## **ATTENDANCE**

Present were Chair Salas and Commissioners Adams-Brooks, Khadija Basir, Sam Guillen, Gary Gramling, Allen Sims and James Waring. Also present were Chuck Christensen, General Counsel and President and CEO Richard Gentry.

## **10 CALL TO ORDER**

Chair Salas called the meeting to order at 9:08 a.m.

## **20 PUBLIC COMMENT**

None

## **30 COMMISSIONER COMMENT**

Chair Salas welcomed new commissioner Jim Waring.

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

Mr. Gentry announced that a chapter he had written in a book on the Hope VI Program, developed by former HUD Secretary Henry Cisneros, was recently published; he stated that a roll out event was planned for July 14, 2009 in Washington, DC with HUD Secretary Shaun Donovan. He mentioned that the Request for Proposal (RFP) for the HUD Section 8 Contract was cancelled by HUD and the contract to which the Housing Commission had responded last winter was returned to the Los Angeles Housing Authority. Mr. Gentry also announced that the Housing Authority passed the Housing Commission FY10 Budget on June 16, 2009 and the Housing Commission received accolades from the Housing Authority members and City staff for the best budget format submitted. Finally, he mentioned that the NAHRO Pacific Southwest Regional Conference will be held in San Diego in November and asked that all Commissioners consider attending this conference.

**50     APPROVAL OF THE MINUTES**

MOTION BY GUILLEN TO APPROVE THE MARCH 20, 2009 REGULAR MEETING MINUTES. SECONDED BY GRAMLING AND CARRIED ON A UNANIMOUS VOTE OF 7-0.

**CONSENT AGENDA**

MOTION BY WARING TO APPROVE THE FOLLOWING ITEMS ON CONSENT:

**100     HCR09-055     Award of Contract for Exterior Upgrades to Building Systems at 4343-4579 38<sup>th</sup> Street (District 3)**

**Recommendations:**

1. Recommend that the Housing Commission approve the award of a contract to Strong Arm Construction & Company, Inc., in the amount of \$53,700 for exterior upgrades to building systems at 4343-4579 38<sup>th</sup> Street located in the City of San Diego.
2. Authorize the President & Chief Executive Officer or designee to execute the contract (Attachment 1) and expend up to a ten percent contingency (\$5,370), if necessary, for items not anticipated in the original scope of work.

**101     HCR09-056     Award of Contract for Exterior Improvements at 1351-1359 Hollister Street (District 8)**

**Recommendations:**

1. Recommend that the Housing Commission approve the award of a contract to Industrial Coating and Restoration Service, Inc., in the amount of \$78,730 for exterior improvements at 1351-1359 Hollister Street located in the City of San Diego.
2. Authorize the President & Chief Executive Officer or designee to execute the contract (Attachment 1) and expend up to a ten percent contingency (\$7,873), if necessary, for items not anticipated in the original scope of work.

**102     HCR09-058     Award of Contract for Landscape Upgrades at 4055-4083 Pulitzer Place (District 1)**

**Recommendations:**

- 1) Recommend that the Housing Commission approve the award of a contract to Aztec Landscaping, Inc., in the amount of \$94,414 for landscape upgrades at 4055-4083 Pulitzer Street located in the City of San Diego.

- 2) Authorize the President & Chief Executive Officer or designee to execute the contract (Attachment 1) and expend up to a ten percent contingency (\$9,441), if necessary, for items not anticipated in the original scope of work.

SECONDED BY GUILLEN AND CARRIED ON A UNANIMOUS VOTE OF 7-0.

### **ACTION AGENDA**

#### **103 HCR09-053 Preliminary Items Pursuant to Issuing Multifamily Housing Revenue Bonds for Mission Apartments (Council District 2)**

Project Manager Ann Kern gave a staff report.

Commissioners asked questions regarding the project, construction costs, financing and tax credits timelines.

MOTION BY GUILLEN TO APPROVE THE FOLLOWING RECOMMENDATIONS AND SEEK HOUSING AUTHORITY APPROVAL FOR : **A)** A BOND INDUCEMENT RESOLUTION (A DECLARATION OF OFFICIAL INTENT) FOR UP TO \$27 MILLION IN MULTIFAMILY HOUSING REVENUE BONDS FOR MISSION APARTMENTS TO BE DEVELOPED BY AMCAL MULTI-HOUSING INC. (AMCAL); **B)** 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 \$27 MILLION FOR MISSION APARTMENTS; **C)** CITY COUNCIL HOLD A PUBLIC HEARING (*KNOWN AS A TEFRA HEARING - TAX EQUITY AND FISCAL RESPONSIBILITY ACT*) AND ADOPT A RESOLUTION APPROVING THE ISSUANCE OF TAX-EXEMPT BONDS IN AN AMOUNT UP TO \$27 MILLION BY THE HOUSING AUTHORITY FOR MISSION APARTMENTS LOCATED AT 1815 AND 1875 HANCOCK STREET IN THE CITY OF SAN DIEGO; **D)** A FINANCING TEAM OF STRADLING YOCCA CARLSON & RAUTH AS BOND COUNSEL AND PUBLIC FINANCIAL MANAGEMENT AS FINANCIAL ADVISOR TO BEGIN WORK ON THE PROJECT; AND **E)** AUTHORIZE THE PRESIDENT AND CHIEF EXECUTIVE OFFICE OF THE HOUSING COMMISSION, OR A DESIGNEE, TO EXECUTE NECESSARY DOCUMENTS. SECONDED BY SIMS AND CARRIED ON A UNANIMOUS VOTE OF 7-0.

#### **104 HCR09-050 Loan for 15<sup>th</sup> & Commercial Special Needs Housing (Council District 2)**

Supervising Project Manager Wendy DeWitt gave a staff report.

Commissioners asked various questions regarding acquisition and construction costs, financing, tax credit timelines, and developer fees.

MOTION BY SIMS TO APPROVE THE FOLLOWING RECOMMENDATIONS AND SEEK HOUSING AUTHORITY APPROVAL FOR THE FOLLOWING: **1) A RESIDUAL RECEIPTS LOAN, OF UP TO \$3,500,000, TO 15<sup>TH</sup> AND COMMERCIAL L.P., TO FACILITATE THE PROPOSED NEW CONSTRUCTION OF A TWELVE-STORY MULTI-USE COMPLEX, AT 15TH & COMMERCIAL STREETS, WITH 140 NEW UNITS (64 UNITS OF NEW PERMANENT SUPPORTIVE RENTAL HOUSING, 75 UNITS OF TRANSITIONAL HOUSING TO REPLACE EXISTING TRANSITIONAL HOUSING UNIT-FOR-UNIT, AND A MANAGER'S UNIT) FOR EXTREMELY LOW-INCOME AND VERY LOW-INCOME RESIDENTS, AND AN ADJACENT CHILD-DAYCARE/SCHOOL FACILITY. THE PROJECT WILL INCLUDE 124 UNITS DESIGNATED FOR THOSE WHO ARE HOMELESS OR AT-RISK OF BECOMING HOMELESS, WITH SUPPORTIVE PROGRAMS TO PREPARE THEM FOR INDEPENDENT LIVING. THE 124 UNITS INCLUDE 25 UNITS FOR PERSONS WITH DISABILITIES; 2) A PROPOSED LOAN WOULD BE CONTINGENT UPON THE DEVELOPER RECEIVING ALL NECESSARY THIRD PARTY FUNDING COMMITMENTS INCLUDING THE CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE (TCAC) AWARD OF 9% PERCENT TAX CREDITS TO THE PROJECT, AS DESCRIBED IN THIS REPORT. THIS LOAN COMMITMENT IS FOR THE 2009 TAX CREDIT COMPETITION ROUND AND MAY BE EXTENDED TO SUBSEQUENT TAX CREDITS ROUNDS WITH THE WRITTEN APPROVAL OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER. SUCH THIRD-PARTY FUNDING COMMITMENTS WOULD BE SUBJECT TO THE HOUSING COMMISSION'S GENERAL COUNSEL APPROVAL; 3) AUTHORIZATION FOR THE PRESIDENT AND CHIEF EXECUTIVE OFFICER, OR HIS DESIGNEE, a) TO EXECUTE ANY AND ALL DOCUMENTS THAT HE DEEMS NECESSARY TO EFFECTUATE THE TRANSACTION AND IMPLEMENT THE PROJECT; b) TO ADJUST FINANCING TERMS/CONDITIONS AS NECESSARY TO ACCOMMODATE MARKET CHANGES THAT MAY OCCUR AFTER APPROVAL OF THIS REPORT BUT BEFORE CLOSE OF ESCROW; c) THE \$3,500,000 MAXIMUM LOAN AMOUNT MAY NOT INCREASE. DOCUMENTATION OF THE TERMS AND CONDITIONS OF THIS LOAN WOULD BE LANGUAGE APPROVED BY THE HOUSING COMMISSION'S GENERAL COUNSEL. SECONDED BY GRAMLING AND CARRIED ON A UNANIMOUS VOTE OF 7-0.**

**105    HCR09-049    Rehabilitation Loan to City Heights Community Development Corporation (Council District 3 and 7)**

Supervising Project Manager Wendy DeWitt gave a staff report.

Commissioner asked questions regarding the rehabilitation loan, the loan application, vacancies, relocation costs and construction timelines.

MOTION BY WARING TO APPROVE THE FOLLOWING RECOMMENDATIONS:

A) APPROVE A 55 YEAR, 3% AMORTIZED REHABILITATION LOAN OF UP TO \$2,473,467 TO THE CITY HEIGHTS COMMUNITY DEVELOPMENT CORPORATION, AS OUTLINED IN THIS REPORT; B) REQUIRE THE BORROWER TO MAINTAIN A \$108,000 CAPITALIZED RESERVE ACCOUNT; C) REQUIRE THE BORROWER TO SUBMIT A QUARTERLY OPERATIONS REPORT TO THE HOUSING COMMISSION; AND, D) AUTHORIZE THE PRESIDENT AND CHIEF EXECUTIVE OFFICER (CEO) OF THE HOUSING COMMISSION, OR DESIGNEE, TO EXECUTE ALL DOCUMENTS NECESSARY TO FACILITATE THE FINANCING. SECONDED BY GRAMLING AND CARRIED ON A UNANIMOUS VOTE OF 7-0.

**106 HCR09-060 Preliminary Items Pursuant to Bond Financing Secured By Properties Owned by the Housing Commission (Citywide)**

Supervising Project Manager Wendy DeWitt gave a staff report.

Commissioners asked various questions regarding tax exempt rental housing revenue bonds, financing team selection, affordability restrictions, developer fees and development costs.

MOTION BY WARING TO APPROVE THE FOLLOWING RECOMMENDATIONS AND SEEK HOUSING AUTHORITY APPROVAL FOR : A) A BOND INDUCEMENT RESOLUTION (A DECLARATION OF OFFICIAL INTENT) FOR UP TO \$200 MILLION IN TAXABLE AND/OR TAX-EXEMPT RENTAL HOUSING REVENUE BONDS SECURED BY SOME OR ALL OF THE EXISTING UNITS, WITH PROCEEDS TO BE APPLIED TO PAY COSTS OF THE NEW UNITS; B) APPROVE ORRICK, HERRINGTON & SUTCLIFFE AS BOND COUNSEL; AND C) AUTHORIZE THE PRESIDENT AND CHIEF EXECUTIVE OFFICER (CEO) OF THE HOUSING COMMISSION, OR A DESIGNEE, TO EXECUTE NECESSARY DOCUMENTS. SECONDED BY SIMS AND CARRIED ON A UNANIMOUS VOTE OF 7-0.

**107 HCR09-061 Application for Capital Fund Recovery Competition Grant funds for the Acquisition of Vista Verde (33<sup>rd</sup> Street Family Housing) for Public Housing (Council District 8)**

Supervising Project Manager Wendy DeWitt gave a staff report.

Commissioner asked numerous questions regarding the application process, displacement of tenants, rehabilitation costs.

MOTION BY ADAMS-BROOKS TO APPROVE THE FOLLOWING RECOMMENDATION AND SEEK HOUSING AUTHORITY APPROVAL FOR: 1) APPLICATION TO HUD FOR A CAPITAL FUND RECOVERY COMPETITION GRANT OF UP TO \$7,000,000 TO PROVIDE THE GAP FINANCING NEEDED FOR THE PROPOSED ACQUISITION; 2) RECOMMEND REVISION OF THE AGENCY'S FIVE-YEAR PLAN AND ANNUAL STATEMENT TO ACCOMMODATE THE PROPOSED FUNDING; AND 3) AUTHORIZE THE PRESIDENT AND CHIEF EXECUTIVE OFFICER, OR HIS DESIGNEE, TO EXECUTE ALL NECESSARY

DOCUMENTS PERTAINING TO THE HUD APPLICATION, CONTINGENT UPON SATISFACTION OF THE HOUSING COMMISSION'S GENERAL COUNSEL WITH THE TERMS AND CONDITIONS. SECONDED BY BASIR AND CARRIED ON A VOTE OF 7-0

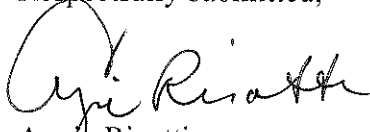
**CLOSED SESSION**

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

**ADJOURNMENT**

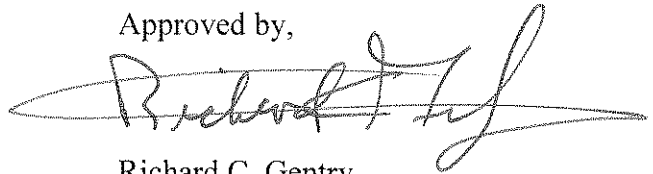
Chair Salas adjourned the regular meeting at 11:03 a.m.

Respectfully submitted,



Angie Risotti  
Executive Assistant to the President and CEO

Approved by,



Richard C. Gentry  
President and CEO