

MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
OCTOBER 16, 2009, 9:00 AM
SMART CORNER
SAN DIEGO, CALIFORNIA**

ATTENDANCE

Present were Chair Salas and Commissioners Sam Guillen, Gary Gramling, Allen Sims, Jennifer Adams-Brooks and Khadija Basir. 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 9:12 a.m.

20 PUBLIC COMMENT

None

30 COMMISSIONER COMMENT

Commissioner Basir announced that she is currently in escrow to purchase a new home. Commissioner Basir gave thanks to Richard Gentry as well as former Housing Commission CEO, Elizabeth Morris for allowing her participation in SDHC's Family Self Sufficiency (FSS) Program which provided her with the down payment for her new home. She expressed immense gratitude for the FSS Program which has allotted her the opportunity to become a first time homebuyer.

Commissioner Sims shared comments regarding the new NAHRO Commissioner Certification Program. He gave particulars regarding the training format and content. He was very complimentary of the Certification Training and stated he learned a lot from his experience.

40 REPORT BY PRESIDENT & CHIEF EXECUTIVE OFFICER

Richard Gentry congratulated Financial Services' John Pfeiffer and staff member Joelle Verbestel for the Comprehensive Annual Financial Report that was approved for a Certificate of Achievement in Excellence for Financial Reporting from the government's Finance Office Association, the highest form of recognition offered by this association. Mr. Gentry added, this was reflective of the agency's high level of financial management and excellent financial staff.

Mr. Gentry also discussed the new public relations campaign that began earlier this year. "Telling our story", a new aggressive approach for members of the local community to know

more about the agency. Mr. Gentry referred to the packet distributed to Commissioners that included several articles regarding stellar Commission activity in particular an article titled "The Price is Right" written about the finance plan recently voted on and passed by San Diego Housing Authority.

50 APPROVAL OF THE MINUTES

MOTION BY WARING TO APPROVE AUGUST 21, 2009 REGULAR MEETING MINUTES AND SEPTEMBER 11, 2009 SPECIAL MEETING MINUTES. SECONDED BY SIMS AND CARRIED BY A UNANIMOUS VOTE OF 7-0.

CONSENT AGENDA

MOTION BY SALAS TO APPROVE THE FOLLOWING ITEM ON CONSENT:

101 HCR09-101 Modification of Loan to City Heights Community Development Corporation (CHCDC) (Council Districts 3 and 7)

Recommendations:

Housing Commission approval of the following measures:

- (1) Approve decreasing the previously approved (aggregated) amortizing loan to CHCDC, to a total loan of \$2,389,467 (which would be split into individual loans on each of five properties as detailed in Attachments 1 and 2, and as further described in item (2) of this recommendation), of which \$1,789,467 would be amortized and \$600,000 would be residual.

- (2) Approve uses of \$600,000 requested by CHCDC for additional energy efficiency as follows:

Additional energy efficiency hard costs	\$442,257
Addition to relocation budget	100,823
Addition to Hard/Soft cost contingency*	<u>56,920</u>
Total Approved Additional Uses of Funds	\$600,000

*Unused Hard/Soft contingency up to \$30,000 may be added to developer fee.

- (3) Approve modifying pre-existing SDHC loans (subordinate to rehab loans) at Canyon Vista, Euclid Court, San Diego Apartments, and Teralta, from 100% of residual receipts to 50% of residual receipts.
- (4) Approve, as a condition of the foregoing approvals, the requirement that 35% AMI rent restrictions be phased out over a ten year period after completion of rehabilitation, at the rate of at least 10% of the

60 total project units (i.e. six units) per year, so that all 60 rehabilitated units will eventually be rent restricted at 50% AMI and 60% AMI.

SECONDED BY ADAMS-BROOKS AND CARRIED BY A UNANIMOUS VOTE OF 7-0.

ACTION AGENDA

100 HCR09-091 Standard & Poor's Rating of the Housing Commission

Richard Gentry introduced presenters Valerie White and Larry Whittey, both from Standard & Poors. Mr. Gentry gave a brief introduction regarding Standard & Poors' historical background as an established expert in the field of rating Public Housing Agencies. Mr. Gentry stated the Commissions reasoning for acquiring the services rendered as a part of the planning and development stages of the new Affordable Housing Finance Plan set into motion by the Commission in the latter part of this year. He described the services as a good management tool to be used by the agency to assist with the establishment of a good reputation within the finance market as well as expose any issues or concerns that may need to be addressed within the agency's current financial structure.

Standard & Poors members Valerie White and Larry Whittey presented a report.

MOTION BY WARING TO APPROVE THE FOLLOWING RECOMMENDATIONS:
THAT THE HOUSING COMMISSION BOARD REVIEW AND ACCEPT THE REPORT COMPLETED FOR THE RATING BY STANDARD & POOR'S RATING SERVICES REGARDING THE CREDIT RATING CRITERIA, RATING ASSIGNED AND RATIONALE FOR THE RATING. THE HOUSING COMMISSION RATING IS AA-.
SECONDED BY GUILLEN AND CARRIED BY A UNANIMOUS VOTE OF 7-0.

103 HCR09-098 Authorize and Ratify Termination of Purchase and Sale Agreement for the Acquisition of Chollas Creek Villas

Debbie Ruane, Supervising Project Manager, gave a Staff Report.

General Counsel, Chuck Christensen commented for the record that the firm contracted to do the testing on the property was Terra Pacific. Experts' conclusions indicated that the wall system had not been constructed to conform to the project plans and specifications. Additionally the surcharge lading was not in compliance and resulted in a wall system that did not possess adequate stability. General Counsel went on to say that SDHC experts found the walls would fail in the condition of an earthquake and were in agreement with the conclusions found by other experts' assessment of the property.

Counsel stated this as the basis for notice of default and suggestion to cure. As of the date of this hearing, the developer had made no steps to cure. Notice had been given to the escrow company to prepare cancellation instructions and to return the 4 million in funds.

Commissioner Guillen commended staff and General Counsel for the excellent job that was done on this project.

MOTION BY WARING TO APPROVE THE FOLLOWING RECOMMENDATIONS:

(1) AUTHORIZE THE PRESIDENT AND CEO OR DSIGNEE TO TAKE ALL NECESSARY ACTIONS AND TO EXECUTE ALL DOCUMENTS NECESSARY TO TERMINATE THE PURCHASE AND SALE AGREEMENT, INCLUDING WITHOUT LIMITATION THE CANCELLATION OF THE ESCROW, RECOUPMENT OF FUNDS DEPOSITED INTO ESCROW, ETC.; AND (2) RATIFY ALL ACTS TAKEN BY THE COMMISSION AND GENERAL COUNSEL TO EFFECTUATE THE TERMINATION OF THE PURCHASE AND SALE AGREEMENT FOR THE SUBJECT PROPERTY AND CANCELLATION OF ESCROW AND RECOUPMENT OF FUNDS.

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

102 HCR09-095 Final Report of the Classification and Total Compensation Study

Human Resources Officer, Tina Holmes presented a Staff Report.

Carrol Vaughn gave a brief history and background of the contract with Koff & Associates, Inc. since its presentation before the Commission in November 2008.

Commissioners asked several questions regarding the conclusions and suggested actions determined by the Koff & Associates, Inc. Class & Compensation Study Report.

Chair Salas noted the Housing Authority would be very pleased with this because it just signed into effect a mandatory San Diego living wage ordinance, encouraging this type of practice and study.

MOTION BY ADAMS-BROOKS TO APPROVE THE FOLLOWING RECOMMENDATIONS:

(1) ACCEPT THE CLASSIFICATION AND COMPENSATION STUDY PREPARED BY KOFF & ASSOCIATES, INC. PROVIDED THAT ANY EMPLOYEE WHOS SALARY IS BELOW ANY NEW RECOMMENDED SALARY RANGE SHALL ONLY BE INCLREASED ONLY TO THE BOTTOM OF THE NEW RECOMMENDED SALARY RANGE AND THAT ANY EMPLOYEE WHOS SALARY IS PRESENTLY ABOVE ANY EXSISTING OR NEW PROPOSED SALARY RANGE SHALL NOT BE ADVERSLY AFFECTED BY THE APPROVAL OF THE CLASSIFICATION AND COMPENSATION STUDY. (2) RECOMMEND THAT THE HOUSING AUTHORITY ACCEPT THE FINAL REPORT; SUBJECT TO THE CONDITION SET FORTH ABOVE IN PARAGRAPH 1. (3) APPROVE THE ESTABLISHMENT OF A NEW SALARY STRUCTURE FOR UNRESPRESENTED STAFF TO INCLUDE A MINIMUM, MIDPOINT, AND MAXIMUM SALARY RANGES AS REFRENCED WITHIN THE REPORT. (4) ESTABLISH/EXPAND NEW SALARY RANGES FOR REPRESENTED STAFF THAT WILL CONSIST OF TEN (10) STEPS AS REFRENCED WITHIN THE REPORT, SUBJECT TO NEGOTIATION AT THE TIME OF NEXT UNION NEGOTIATIONS. (5) AUTHORIZE PRESIDENT AND

CHIEF EXECUTIVE OFFICER OR DESIGNEE TO TAKE APPROPRIATE ACTIONS TO IMPLEMENT RECOMMENDATIONS, SUBJECT TO THE CONDITIONS SET FORTH IN PARAGRAPHS 1 THROUGH 4 ABOVE.
SECONDED BY BASIR AND CARRIED BY A UNANIMOUS VOTE OF 7-0.

104 HCR09-092 Workshop Discussion: Homelessness and the San Diego Housing Commission

Vice President, Cissy Fisher, Sr. Program Analyst, Kathi Houck and Program Analyst, Victoria Joes gave a Staff Report.

Workshop discussion. No actions taken.

Commissioners asked several questions about San Diego's homeless community and expressed excitement and support of upcoming projects that will be presented to the Board for consideration over the next few months.

CLOSED SESSION

The San Diego Housing Commission convened in closed session.

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

Number of cases: Two (2)

Counsel's Description of General Nature of Closed Session:

The Commission will discuss whether to initiate litigation based on existing facts and circumstances.

DIRECTIONS TO COUNSEL CONCERNING FILING OF ANTICIPATED LITIGATION AS NEEDED BY A VOTE OF 6-0-1 WITH COMMISSIONER GUILLEN ABSTAINING ON THE FIRST MATTER, AND BY A VOTE OF 7-0 IN THE SECOND MATTER.

- b. Conference with Real Property Negotiators-Negotiation with Real Property Negotiator pursuant to subdivision (b) of 54954.5 Government Code and Section 54956.8:

Property: Chollas Creek, 49th Street and Charles Lewis Way, San Diego, California, Parcel Nos.547-330-64 and 547-330-65

Agency Negotiator: Rick Gentry, Carrol Vaughan, Larry Clemens and Debbie Ruane of the San Diego Housing Commission

Negotiating Parties: Chollas Creek 31, LLC a California limited liability company and the San Diego Housing Commission

Under Negotiation: Real Property Negotiator(s) will seek direction from the Commission concerning price and terms of payment.

THIS MATTER WAS NOT DISCUSSED IN CLOSED SESSION.

- c. Conference with Real Property Negotiators-Negotiation with Real Property Negotiator pursuant to subdivision (b) of 54954.5 Government Code and Section 54956.8:

Property: Smart Corner, 1122 Broadway, San Diego, California

Agency Negotiator: Rick Gentry, Carrol Vaughan, Larry Clemens and Steve Snyder San Diego Housing Commission

Negotiating Parties: Family Justice Center, the City of San Diego and the San Diego Housing Commission

Under Negotiation: Real Property Negotiator(s) will seek direction from the Commission concerning price and terms of lease.

NO ACTION WAS TAKEN ON THIS MATTER.

- d. Conference with Real Property Negotiators-Negotiation with Real Property Negotiator pursuant to subdivision (b) of 54954.5 Government Code and Section 54956.8:

Property: Sandford Hotel, 1301 5th Avenue, San Diego, California, Parcel No. 553-453-03.

Agency Negotiator: Rick Gentry, Carrol Vaughan, Larry Clemens, Marco Vakili and Roger Green San Diego Housing Commission

Negotiating Parties: Downtown Senior Center Corporation, a California 501(c)(3) nonprofit corporation, Senior Fifth Avenue Associates - Sandford, a California limited partnership, the Redevelopment Agency of the City of San Diego, the San Diego Housing Commission

Under Negotiation: Real Property Negotiator(s) will seek direction from the Commission concerning price and terms of payment.

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INFORMATIONAL ONLY. NO ACTION WAS TAKEN.

ADJOURNMENT


Chair Salas adjourned the regular meeting at 12:45 p.m.

Respectfully submitted,



Lisette Diaz
Docket Coordinator

Approved by,



Richard C. Gentry
President and CEO