

MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING OF
FEBRUARY 19, 2010, 9:00 AM
SMART CORNER
4th FLOOR CONFERENCE ROOM
1122 BROADWAY
SAN DIEGO, CALIFORNIA**

ATTENDANCE

Present were Chair Gramling and Commissioners Jennifer Adams-Brooks, Khadija Basir, Sam Guillen, Allen Sims, Roberta Spoon and Jim Waring. Also present were Chuck Christensen, General Counsel and President& CEO, Richard Gentry.

10 CALL TO ORDER

Chair Gramling called the Regular Meeting to order at 9:06 a.m.

Chair Gramling welcomed Commissioner Roberta Spoon to the Board.

20 PUBLIC COMMENT

Katherine Rodes, member of the public, spoke regarding the approval of the new Charger stadium and permanent homeless shelter.

Richard Lawrence, representing Affordable Housing Coalition spoke regarding disposition of properties policy item that is scheduled to be on the agenda. He discussed a report issued by the Lincoln Institute regarding the Community Land Trust and asked for the Commission's consideration when implementing affordable housing strategies in San Diego.

30 COMMISSIONER COMMENTS

Commissioner Sims discussed his involvement in the Investment Committee and the discussions surrounding the Commission's part in the San Diego Investment Pool. He thanked staff for the great work done on the project.

Commissioner Basir expressed her appreciation for the opportunity she had to speak on behalf of the Family Self Sufficiency Program at the grand opening of a new building dedicated to assist those who are mentally challenged.

40 REPORT BY PRESIDENT & CHIEF EXECUTIVE OFFICER

Mr. Gentry announced the agency's plans for Live Stream Audio of the Housing Commission Board Meetings to roll out in March or April.

Mr. Gentry introduced SDHC's new Policy Director, John Nash Jr. and extended a welcome on behalf of the agency and Commission Board.

He talked about his participation in a conference that was recently held in late January put together by Fannie Mae in Washington, D.C. regarding NSP. He also mentioned his participation at the Standard & Poors conference held in Florida. He highlighted all of the positive national attention received by SDHC over the new finance plan.

He mentioned that he had attended a series of meetings with the Mayor's staff surrounding new transit oriented initiatives.

Finally, Mr. Gentry introduced Bill Anderson, Director of the City's Planning and Community Development Department for the City of San Diego. Mr. Anderson presented the City Plan as it relates to the Agency's new initiatives towards transit oriented planning and development.

CONSENT AGENDA

MOTION BY WARING TO APPROVE THE FOLLOWING ITEMS ON CONSENT:

100 HCR10-023 Award of Contract for Architectural/Green Sustainability Consulting Services

Recommendations:

- 1) That the Housing Commission approve the architectural services contract to Carrier Johnson, Inc. in the amount of \$99,400 for the creation of architectural green/energy sustainability standards for the Housing Commission's programs.
- 2) Authorize the President and Chief Executive Officer or designee to execute the contract with Carrier Johnson, Inc. in a form approved by General Counsel substantially similar to the form appearing as Attachment No. 1, including all other necessary documents.

General Counsel, Chuck Christensen stated for the record that Commissioner Waring had a past business relationship with one of the principals of Carrie Johnson. His relationship was over a year ago. There was no conflict of interest according to Government Code Section .87103 forbidding him to vote on this matter.

Commissioner Adams-Brooks applauded staff for the work on Item 100.

101 HCR10-024 Agreement Between the City Redevelopment Agency and Housing Commission for the Lead Safe San Diego Program

Recommendation: That the Housing Commission recommend the Housing Authority take the following actions:

1. Approve an agreement between the Agency and Commission for Commission's administration of \$150,000 of Low and Moderate Income Housing Set Aside Funds pursuant to the Program terms and conditions; and
2. Authorize President and Chief Executive Officer of the Housing Commission, or designee, to execute such agreement and any and all related documents with the Agency.

102 HCR10-029 Establish a Standing Real Estate Committee

Recommendation: That the Commission Board establish an advisory Real Estate Standing Committee and appoint members of that Committee, including but not limited to Commissioners, to serve for the calendar year 2010, or until further action by the Board, as the Board may determine to deal with estate finance, acquisitions, dispositions, and other real estate matters.

Chair Gramling stated this was a converted Ad Hoc Committee that had been recently established to be replaced by the Standing Real Estate Committee.

MOTION MADE BY ADAMS-BROOKS TO APPROVE CHAIR GRAMLING, COMMISSIONER WARING AND FORMER CHAIR SALAS AS MEMBERS OF THE STANDING REAL ESTATE COMMITTEE. SECONDED BY SPOON AND CARRIED BY A UNANIMOUS VOTE OF 7-0.

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

CHAIR GRAMLING PULLED ITEM 105 FROM THE AGENDA TO BE RE-SUBMITTED AT A LATER DATE.

ACTION AGENDA

103 HCR10-033 Increased Loan for Arbor Crest Apartments (Council District 3)

Debbie Ruane and Jerry Lohla Real Estate Department, presented staff report. Also present were Community Housing Works President Sue Reynolds, Sr. Vice President Ann Wilson, and Amber House to further present on the project.

MOTION BY WARING TO APPROVE THE FOLLOWING RECOMMENDATIONS: THAT THE BOARD OF COMMISSIONERS RECOMMENDS THAT THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO APPROVE THE FOLLOWING: **(1) A**

\$2,487,000 RESIDUAL RECEIPTS LOAN TO FLORIDA STREET HOUSING ASSOCIATES, L.P. AS GAP FINANCING FOR THE DEVELOPMENT OF 83 UNITS OF AFFORDABLE RENTAL HOUSING. THIS IS IN ADDITION TO THE ORIGINAL PERMANENT LOAN OF \$4,900,000 WHICH WAS USED BY THE DEVELOPER TO ACQUIRE THE LAND AND BRINGS THE TOTAL LOAN AMOUNT TO \$7,387,000. (2) AUTHORIZE FOR THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE HOUSING COMMISSION, OR DESIGNEE, TO EXECUTE NECESSARY DOCUMENTS, INCLUDING AMENDING, IF NECESSARY, THE AFFORDABILITY MATRIX CONTAINED IN THE EXISTING DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS RECORDED WITH THE ORIGINAL HOUSING COMMISSION LOAN.

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

104 HCR10-020 Family Justice Center Lease Arrangements/Authorization to complete Tenant Improvements at Smart Corner (District 2)

Steve Snyder, Real Estate Department, presented staff report.

Mr. Casey Gwinn, representing the Family Justice Center spoke in favor of this Item. He applauded Mr. Gentry for his visionary leadership and Ms. Velasquez for her outreach to the community pertaining to this project.

MOTION BY WARING TO APPROVE THE FOLLOWING RECOMMENDATIONS: THAT THE HOUSING COMMISSION RECOMMENDS THAT THE HOUSING AUTHORITY AUTHORIZE THE PRESIDENT & CHIEF EXECUTIVE OFFICER (CEO) OF THE SDHC TO TAKE THE FOLLOWING ACTIONS: (1) EXECUTE LEASE DOCUMENTS BETWEEN THE SDHC AND THE CITY OF SAN DIEGO FOR THE FJC, FOR THE ENTIRE SECOND FLOOR OFFICE SPACE AT THE SMART CORNER BUILDING IN A FORM THAT SUBSTANTIALLY CONFORMS WITH ATTACHMENT 1. THE LEASE WOULD HAVE A TEN YEAR INITIAL TERM AND TWO (2) FIVE YEAR OPTIONS TO RENEW. (2) EXECUTE CONSTRUCTION AND FURNITURE SUPPLY CONTRACTS TO COMPLETE TENANT IMPROVEMENTS FOR THE HOUSING OPPORTUNITIES COLLABORATIVE (HOC) AND ECONOMIC DEVELOPMENT ACADEMY (EDA) ON THE FIRST FLOOR IN AN AMOUNT NOT TO EXCEED ONE MILLION EIGHT HUNDRED SEVENTEEN THOUSAND EIGHT HUNDRED THREE AND NO/100DOLLARS (\$1,817,803). (3) EXECUTE CONSTRUCTION AND FURNITE SUPPLY CONTRACTS TO COMPLETE TENANT IMPROVEMENTS ON THE SECOND FLOOR FOR FJC IN AN AMOUNT NOT TO EXCEED ONE MILLION FIVE HUNDRED FIFTY FIVE THOUSAND ONE HUNDRED TWENTY AND NO/100 DOLLARS (\$1,555,120). (4) PERFORM SUCH OTHER ACTS AND EXECUTE SUCH OTHER DOCUMENTS AS ARE NECESSARY TO FINALIZE THE LEASE, COMPLETE THE CONSTRUCTION AND PAY REAL ESTATE COMMISSIONS TO STUDLEY, THE CITY BROKER, AND TO CB RICHARD ELLIS AS REFERENCED WITHIN THE LEASE AGREEMENT AND THE COMMISSION AGREEMENTS BETWEEN THE PARTIES, UPON THE FINAL APPROVAL OF THE LEASE BY THE HOUSING AUTHORITY AND THE CITY COUNCIL.

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

CLOSED SESSION

The San Diego Housing Commission convened in closed session.

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

San Diego Housing Commission v. J&J Properties, LLC
San Diego Superior Court, Case No. GIC-858807

J&J Properties, LLC v. San Diego Housing Commission
San Diego Superior Court, Case No. GIC-858800

Counsel's Description of General Nature of Closed Session:
Counsel will seek direction.

BOARD GAVE DIRECTIONS TO COUNSEL BY A VOTE OF 7-0, WITH ALL COMMISSIONERS PRESENT AND PARTICIPATING.

ADJOURNMENT

Chair Gramling adjourned the Closed Session Meeting.

Chair Gramling reconvened the Open Session Meeting.

ACTION AGENDA

106 HCR10-004 Hotel Churchill Time Extension Request and Request for Subordination to New Debt (Council District 2)

Marco Vakili and Roger Green, Real Estate Department presented staff report.

Mr. Hoss Said, Vice President of Global Lenders, Mr. Jason Luker, representing Cardinal Group Investments LLC, Mr. Ronald Chin, representing Rose, Munns and Chin Attorneys at Law and Mr. Nemat Anjomshoaa, representing NeMaco Inc., the project's general contractor answered Commissioner questions.

MOTION MADE BY ADAMS-BROOKS TO APPROVE THE FOLLOWING RECOMMENDATIONS AS AMENDED: THAT THE HOUSING COMMISSION APPROVES THE FOLLOWING: (1) RETROACTIVELY, A FIVE DAY TIME EXTENSION TO FEBRUARY 19, 2010, THE DATE OF THE COMMISSION MEETING. AND DENIES AN ADDITIONAL 30-DAY REQUEST FOR TIME EXTENSION; AND (3) DENY THE REQUEST FOR SUBORDINATION.

SECONDED BY WARING AND CARRIED BY A VOTE UNANIMOUS VOTE OF 6-0
WITH BASIR ABSENT.

CLOSED SESSION

The San Diego Housing Commission reconvened in closed session.

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

Number of cases: Three (3) or more

Counsel's Description of General Nature of Closed Session:

The Commission will discuss potential exposure to litigation based on existing facts and circumstances arising out of the application for variance and/or waiver of the inclusionary housing requirements to a condominium conversion project and a separate matter dealing with an employment dispute with an existing employee and a third matter dealing with the Chollas Creek Project.

WITH REGARD TO ONE OF THE ITEMS UNDER (b) BOARD GAVE DIRECTIONS TO COUNSEL BY A VOTE OF 5-0 WITH COMMISSIONERS BASIR AND SPOON ABSENT. THE OTHER TWO ITEMS WERE NOT DISCUSSED.

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

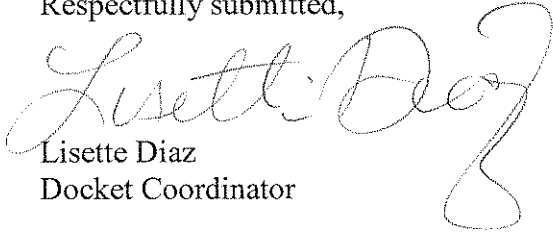
Counsel's Description: Labor Negotiator will seek direction from the Commission concerning labor negotiations.

BOARD GAVE INSTRUCTIONS TO THE NEGOTIATOR BY A VOTE OF 4-0 WITH COMMISSIONERS BASIR, SPOON AND WARING ABSENT.

ADJOURNMENT

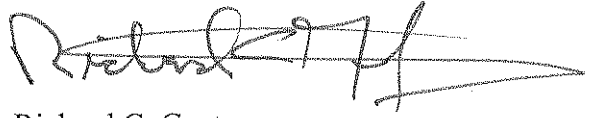
Chair Gramling adjourned the Regular Meeting at 1:47 p.m.

Respectfully submitted,



Lisette Diaz
Docket Coordinator

Approved by,



Richard C. Gentry
President and CEO