



SAN DIEGO  
HOUSING  
COMMISSION

Regular Meeting Minutes of  
March 19, 2010

## MINUTES

SAN DIEGO HOUSING COMMISSION  
MINUTES OF THE REGULAR MEETING  
MARCH 19, 2010  
SMART CORNER  
4<sup>th</sup> 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 9:10 a.m.

### 20 COMMISSIONER COMMENTS

Commissioner Sims discussed the Belden shooting and thanked President & CEO, Richard Gentry, Maria Velasquez and staff for their prompt response to the incident.

Chair Gramling also commended staff for the quick and effective response.

### 30 REPORT BY PRESIDENT & CHIEF EXECUTIVE OFFICER

Mr. Gentry asked the Board to consider the August meeting date for the potential Board retreat date.

Mr. Gentry announced that SDHC closed the Hotel Sandford deal.

He also announced the City Council's approval of the Family Justice Center tenant lease.

Finally, Mr. Gentry announced he has been selected to be on the editorial board for the Housing and Development Reporter, one of the best trade publications in the business.

### 40 APPROVAL OF THE MINUTES



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MOTION BY COMMISSIONER WARING TO APPROVE THE MINUTES OF THE SPECIAL MEETINGS OF NOVEMBER 13, 2009 AND DECEMBER 2, 2009. SECONDED BY COMMISSIONER GUILLEN AND CARRIED BY A UNANIMOUS VOTE OF 7-0.

**50     PUBLIC COMMENT**

Joe Mayer representing the San Diego Community Land Trust spoke regarding Community Land Trusts.

**CONSENT AGENDA:**

MOTION BY COMMISSIONER WARING TO APPROVE THE FOLLOWING ITEMS ON CONSENT.

- 100     HCR10-034     Adoption of Capital Fund Stimulus Grant Procurement Policy**  
**Recommendation:** Staff recommends that the Housing Commission approve and adopt the proposed Agency Capital Fund Stimulus Grant Procurement Policy (Attachment 1). The implementation of this new policy is based on Department of Housing and Urban Development (HUD) Notice PIH 2009-12 regarding the use and procurement requirements of the American Reinvestment and Recovery Act (ARRA) Capital Funds Grant.
- 102     HCR10-017     Proposed San Diego Housing Commission Real Estate Disposition Policy**  
**Recommendation:** That the Board of Commissioners of the San Diego Housing Commission (the "Board of Commissioners") recommend approval to both the City Council and the Housing Authority of a new Housing Commission Disposition Policy. The proposed policy will expedite the sale and/or disposition of single family homes and condominium units acquired for use in the NSP or through foreclosure by vesting the President and Chief Executive Officer (CEO) of the Housing Commission with the authority to sell or otherwise dispose of single family homes or condominium units without waiting for approval from the Commission's Board of Commissioners or the Housing Authority. These actions by the CEO are subject to review by both the Board of Commissioners and the Housing Authority of the City of San Diego (the "Housing Authority").
- 106     HCR10-032     Classification and Title Changes FY 2011**  
**Recommendations:**  
1. Accept the classification and title changes without implementing the recommendations of the recent Classification and Compensation Study.



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2. Recommend that the Housing Authority accept and approve the classification changes.
3. Authorize President and Chief Executive Officer or designee to take appropriate actions to implement recommendations.

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

**ACTION AGENDA:**

**101    HCR10-040    Proposed Fiscal Year 2010 Budget Revision (Citywide)**

Debbie Ruane and Vicki Monce, Real Estate Department presented staff report.

Carrol Vaughan, Executive Vice President & COO answered Commissioner questions regarding fund transfers, loans and grants.

MOTION BY COMMISSIONER WARING TO APPROVE THE FOLLOWING RECOMMENDATION: THAT THE HOUSING COMMISSION APPROVE THE REVISION (ATTACHMENT 1) THAT WILL RESULT IN A DECREASE IN LOANS AND GRANTS FOR RENTAL HOUSING FINANCING FROM \$16,363,660 TO \$15,763,660 AND INCREASE LOANS AND GRANTS FOR HOMEOWNERSHIP FROM \$4,667,933 TO \$5,267,933 AND FORWARD THE REVISION TO THE HOUSING AUTHORITY FOR FINAL APPROVAL.

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

**103    HCR10-027    Revision to the Housing Commission's Contract with General Counsel**

Carrol Vaughan, Executive Vice President & COO presented staff report.

Mr. Gentry stated that the agency had some very significant one time expenditures throughout the past year that do not expect to be repeated.

Chuck Christensen, General Counsel stated that the Housing Commission received a 3% discount on all billing and occasionally writes time off of the bills since the Housing Commission is a public agency.

MOTION BY COMMISSIONER WARING TO APPROVE THE FOLLOWING RECOMMENDATION: THAT THE HOUSING COMMISSION APPROVE AND FORWARD TO THE HOUSING AUTHORITY A CONTRACT REVISION WITH AN INCREASE OF TWO HUNDRED THOUSAND AND NO/100 DOLLARS (\$200,000) FOR LEGAL



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SERVICES IN FY2010. THE CURRENT CONTRACT BETWEEN THE HOUSING COMMISSION AND CHRISTENSEN & SPATH LLP IS A FIVE YEAR CONTRACT WITH A NOT-TO-EXCEED ANNUAL AMOUNT OF \$800,000. SECONDED BY COMMISSIONER ADAMS-BROOKS AND CARRIED BY A UNANIMOUS VOTE OF 7-0.

**104    HCR10-039    Proposed Short Sale – 518 62<sup>nd</sup> Street, No. 25**

Debbie Ruane and Vicki Monce, Real Estate Department presented staff report.

Commissioner Spoon questioned why a loss of this size would have to go before the Board and requested that the agency revisit the policy that makes it a requirement.

Commissioners asked staff to explore a potential change in policy that would allow for the agency to work with homeowners if housing affordability is the reason behind any future short sales.

MOTION BY COMMISSIONER GUILLEN TO APPROVE THE FOLLOWING RECOMMENDATIONS: THAT THE HOUSING COMMISSION ACCEPTS: (1) THE TERMS OF THE SHORT SALE FOR THE PROPERTY LOCATED 518 62<sup>ND</sup> STREET, NO. 25 AS OUTLINED WITHIN THE REPORT; AND (2) AUTHORIZE THE WRITE OFF OF APPROXIMATELY \$38,679 IN HOME FUNDS AND THE \$35,010 AFFORDABLE NOTE. SECONDED BY COMMISSIONER SIMS AND CARRIED BY A VOTE OF 6-1 WITH COMMISSIONER WARING VOTING NAY.

**105    HCR10-036    Loan and Preliminary Bond Items for Georgia Street Apartments**

Marco Vakili and Jerry Lohla, Real Estate Department presented staff report.

Jim Silverwood representing Affirmed Housing stated for the record that he appreciated the excellent work done by the Housing Commission. He reiterated that Affirmed Housing was 99% sure that they would be able to handle their end of the deal.

MOTION BY COMMISSIONER WARING TO APPROVE THE FOLLOWING RECOMMENDATIONS: THAT THE BOARD OF COMMISSIONERS AND THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO: (1) APPROVE A RESIDUAL RECEIPTS LOAN, NOT TO EXCEED \$5,110,753 TO GEORGIA STREET, LP, A CALIFORNIA LIMITED PARTNERSHIP, IN WHICH THE AFFIRMED HOUSING GROUP, INC (“AFFIRMED”) WILL BE THE GENERAL PARTNERSHIP, AS GAP FINANCING FOR THE DEVELOPMENT OF 31 UNITS OF AFFORDABLE RENTAL HOUSING ON GEORGIA STREET; (2) APPROVE THE FOLLOWING AMMENDMENTS TO THE CURRENT FY10 BUDGET: (a) TRANSFER \$3,600,000 OF NEIGHBORHOOD



STABILIZATION PROGRAM FUNDS FROM RENTAL HOUSING DEVELOPMENT (\$3,524,533) AND REHAB OWNER OCCUPIED (\$75,467) TO RENTAL HOUSING FINANCE. (3) ISSUE A BOND INDUCEMENT RESOLUTION (DECLARATION OF OFFICAL INTENT) FOR UP TO \$6,500,000 IN MULTIFAMILY HOUSING REVENUE BONDS FOR THE PROJECT; (4) AUTHORIZE AN APPLICATION (AND SUBSEQUENT APPLICATION 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 OF UP TO \$6,500,00 FOR THE PROJECT; (5) HOLD A PUBLIC HEARING BY THE CITY COUNCIL (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 OF UP TO \$6,500,000 FOR THE PROJECT BY THE HOUSING AUTHORITY; (6) APPROVE THE FINANCING TEAM OF STRADLING YOCCA CARLSON & RAUTH AS BOND COUNSEL AND THE PFM GROUP AS FINANCIAL ADVISOR TO BEGIN WORK ON THE PROJECT; AND, AUTHORIZE THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE HOUSING COMMISSION, OR A DESIGNEE, TO EXECUTE NECESSARY DOCUMENTS AS APPROVED BY GENERAL COUNSEL AND/OR BOND COUNSEL.

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

**107    HCR10-007    FY2011 Moving to Work Annual Plan**

Jeff Davis, Vice President Rental Assistance Department presented staff report.

Mr. Gentry reiterated that the San Diego Housing Commission was among the less than 1% of Public Housing Agencies that receive the Moving to Work designation from HUD.

Commissioner Basir stated that as a recent graduate of the Family Self Sufficiency Program, she was in full support of this item.

MOTION BY COMMISSIONER ADAMS-BROOKS TO APPROVE THE FOLLOWING RECOMMENDATIONS: (1) APPROVE THE FY2011 MTW ANNUAL PLAN (ATTACHMENT 1) AND THE IMPLEMENTATION OF THE INITIATIVES THEREIN. (2) APPROVE THE AMENDMENT TO THE MTW AGREEMENT (ATTACHMENT 2) THAT PROVIDES FOR BROADER USES OF RESTRICTED FEDERAL FUNDS.

SECONDED BY COMMISSIONER BASIR AND CARRIED BY A VOTE OF 6-0 WITH COMMISSIONER WARING RECUSED.

**108    HCR10-026    Affordable Housing Fund Fiscal Year 2011 Annual Plan (Citywide)**



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Carrol Vaughan, Executive Vice President & COO along with Lisa Wolf, Special Housing Initiatives presented staff report.

MOTION BY COMMISSIONER GUILLEN TO APPROVE THE FOLLOWING RECOMMENDATION: THAT THE HOUSING COMMISSION RECEIVE PUBLIC COMMENTS ON THE DRAFT ANNUAL PLAN, MAKE MODIFICATIONS AS NECESSARY, AND RECOMMEND APPROVAL BY THE CITY COUNCIL. SECONDED BY COMMISSIONER SPOON AND CARRIED BY A VOTE OF 6-0 WITH CHAIR GRAMLING ABSTAINING.

**109    HCR10-041    San Diego Housing Commission FY2011 –Business Plan**

Carrol Vaughan, Executive Vice President & COO presented staff report.

Larry Clemens, Sr. Vice President of Real Estate Department, as well as members from the budget staff addressed Commissioner questions.

MOTION BY COMMISSIONER SPOON TO MOVE THIS ITEM TO THE NEXT MONTH'S MEETING AGENDA. SECONDED BY COMMISSIONER BASIR AND CARRIED BY A VOTE OF 6-1 WITH COMMISSIONER GUILLEN VOTING NAY.

**CLOSED SESSION**

The San Diego Housing Commission convened in closed session at 12:43 p.m.

- a. 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: One matter*

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.

DIRECTION WAS GIVEN TO COUNSEL BY A VOTE OF 6-0 WITH COMMISSIONER BASIR ABSENT.

**ACTION AGENDA:**



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Vice Chair, Commissioner Adams-Brooks reconvened the open session at 1:05 p.m.

**110    HCR10-014    Proposed Fiscal Year 2011 Budget**

Carrol Vaughan, Executive Vice President & COO presented staff report.

Commissioner Spoon, who departed from the meeting, asked Vice Chair Adams-Brooks to state for the record that the budget was not based on an unreasonably “optimistic approach” and that she had spent the equivalent of a half day with the staff on the matter and was very pleased with the budget.

Vice Chair Adams-Brooks applauded staff for the incredible job on the transparency reflected in this year’s budget.

Mr. Gentry commended Ms. Vaughan and staff who worked on the budget and business plan.

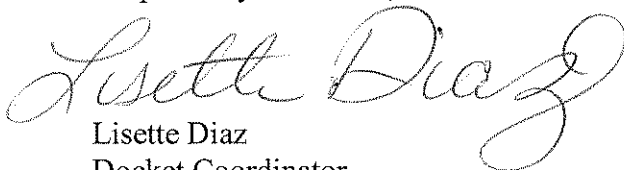
MOTION BY WARING TO APPROVE THE FOLLOWING RECOMMENDATIONS: (1) HOUSING COMMISSION AND HOUSING AUTHORITY ADOPTION OF THE \$291.7 MILLION FY11 PROPOSED ACTIVITY BASED BUDGET (ATTACHMENT 1). (2) HOUSING AUTHORITY DELEGATION TO THE HOUSING COMMISSION TO AMEND THE FY11 BUDGET FOR AMOUNTS UP TO \$250,000 CONSISTENT WITH PRIOR DELEGATION OF THE HOUSING AUTHORITY AND WITH ADOPTED POLICIES, PROGRAMS AND ACTIVITIES. (3) HOUSING COMMISSION CONTINUED DELEGATION OF AUTHORITY TO THE PRESIDENT & CEO TO AMEND THE FY11 BUDGET FOR AMOUNTS UP TO \$100,000 CONSISTENT WITH POLICIES, PROGRAMS AND ACTIVITIES APPROVED BY THE HOUSING COMMISSION AND HOUSING AUTHORITY.

SECONDED BY COMMISSIONER GUILLEN AND CARRIED BY A VOTE OF 4-0 WITH CHAIR GRAMLING, COMMISSIONER BASIR AND COMMISSIONER SPOON ABSENT.

**ADJOURNMENT:**

Vice Chair Adams-Brooks adjourned the Regular Meeting at 1:40 p.m.

Respectfully submitted,

  
Lisette Diaz  
Docket Coordinator

Approved by,

  
Richard C. Gentry  
President and CEO