



SAN DIEGO  
HOUSING  
COMMISSION

# MINUTES

SAN DIEGO HOUSING COMMISSION  
MINUTES OF THE REGULAR MEETING  
JUNE 15, 2018  
SMART CORNER  
4<sup>th</sup> FLOOR CONFERENCE ROOM  
1122 BROADWAY  
SAN DIEGO, CALIFORNIA 92101

## ATTENDANCE

Present:

Chair Frank Urtasun  
Vice Chair Dorothy Surdi  
Commissioner Stefanie Benvenuto  
Commissioner Margaret Davis  
Commissioner Kellee Hubbard  
Commissioner Ben Moraga  
Commissioner Tim Walsh  
President & CEO Richard C. Gentry  
General Counsel Charles Christensen

## 10 CALL TO ORDER

Chair Urtasun called the Regular Meeting to order at 9:00 a.m.

## 20 NON-AGENDA PUBLIC COMMENT

Joy Sunyata spoke about affordable housing.

## 30 COMMISSIONER COMMENTS

There were no Commissioner comments.

## 40 REPORT BY PRESIDENT & CHIEF EXECUTIVE OFFICER

### San Diego Housing Commission Budget Approval

The San Diego City Council, sitting as the Housing Authority of the City of San Diego, approved the San Diego Housing Commission's Fiscal Year 2019 (July 1, 2018 – June 30, 2019) budget on June 11, 2018. The City Council included a request to create a position to focus on affordable housing preservation.

### San Diego Designated as a HUD EnVision Center

On June 7, 2018, U.S. Department of Housing and Urban Development (HUD) Secretary Dr. Ben Carson announced that San Diego has been selected as one of HUD's new EnVision Centers. The San Diego



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EnVision Center is a partnership between the San Diego Housing Commission (SDHC), the City of San Diego and San Diego Workforce Partnership. HUD's EnVision Center demonstration program promotes financial self-reliance among federal rental assistance recipients and public housing residents. Programs and services will be offered through the SDHC Achievement Academy and the South Metro Career Center.

### **Family Self-Sufficiency Graduation**

A graduation ceremony was held on May 30, 2018, to recognize the accomplishments of the SDHC Achievement Academy participants who have completed the Family Self-Sufficiency program within the last five years. A total of 131 individuals completed the program within that time frame, and 100 percent of graduates were employed at the time when they completed the program. The average annual earned income of graduates of the program more than tripled.

### **Mesa Verde Apartments Grand Opening**

Chair Urtasun joined Mayor Kevin L. Faulconer, City Councilmember Scott Sherman and development partner, Chelsea Investment Corporation, for the grand opening of Mesa Verde Apartments on May 31, 2018. Vice Chair Surdi and Commissioner Benvenuto also attended the grand opening and ribbon-cutting ceremony for this newly constructed San Diego Housing Commission partnership development in the Navajo community north of Interstate 8. Mesa Verde provides 89 apartments for low-income families that will remain affordable for 55 years.

### **Landlord Recognition & Engagement Event**

President & CEO Gentry joined Mayor Faulconer on May 23, 2018, for an event hosted by the San Diego Regional Chamber of Commerce to recognize landlords who participated in the Housing Our Heroes initiative. Housing Our Heroes helped 1,000 homeless Veterans secure permanent rental housing.

### **Family Reunification Program Wins San Diego County Taxpayers Association Award**

On May 17, 2018, the San Diego County Taxpayers' Association recognized the Family Reunification Program, which is funded by the San Diego Housing Commission, with a Public-Private Partnership Award. The program, operated by the Downtown San Diego Partnership, reconnects homeless individuals with their families and loved ones across the country.

### **SDHC Receives National Association of Housing and Redevelopment Officials (NAHRO) Awards**

Three San Diego Housing Commission programs will be receiving Awards of Merit from the National Association of Housing and Redevelopment Officials (NAHRO) at the organization's summer conference in July. The Housing Our Heroes initiative also has been nominated for a NAHRO Award of Excellence. The other Award of Merit honorees are: Power of One, a yearlong program at the SDHC Achievement Academy that provides single-parent households with access to career and financial planning resources and workshops; and the Procurement Department's enhanced and streamlined process for the review and implementation of Homeless Housing Innovations Department contracts. NAHRO's summer conference will be held July 27-29 in San Francisco.



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**50 APPROVAL OF THE MINUTES**

The minutes of the Regular Housing Commission meeting of May 4, 2018, were approved on a motion by Commissioner Surdi, seconded by Commissioner Moraga, and passed by a vote of 7-0.

**CONSENT AGENDA:**

Motion by Commissioner Moraga to approve items 100, 101, and 102 on consent. Seconded by Commissioner Benvenuto and passed by a vote of 7-0.

**100 HCR18-054 Fiscal Year 2019 Section 8 Administrative Plan**

That the San Diego Housing Commission (Housing Commission) take the following actions:

- 1) Approve the Fiscal Year (FY) 2019 Section 8 Administrative Plan (Attachment 1) and the implementation of new policy therein;
- 2) Authorize the President & Chief Executive Officer, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions as are necessary and/or appropriate to implement these approvals.

**101 HCR18-051 Approval of the Award of Job Order Contracting Contracts**

That the San Diego Housing Commission (Housing Commission) take the following actions:

- 1) Authorize the President & Chief Executive Officer (President & CEO), or designee, to enter into cooperative purchasing agreements with the contractors referenced within this report based upon procurements previously competitively bid and awarded by the National Joint Powers Alliance (NJPA);
- 2) Approve the award of 11 separate Job Order Contracting (JOC) contracts that include an initial one-year term with three additional one-year contract renewal options to the following companies, each with a value not to exceed maximum annual capacity of \$2,000,000:
  - a. ACCO Engineered Systems Inc. (Mechanical) - SDHC JOC Contract #JOC-18-01
  - b. All Source Coatings, Inc. (General Construction) - SDHC JOC Contract #JOC-18-02
  - c. Good-Men Inc. Roofing and Construction (Roofing) - SDHC JOC Contract #JOC-18-03
  - d. Grondin Construction Inc. (General Construction) - SDHC JOC Contract #JOC-18-04
  - e. Harry H. Joh Construction Inc. (General Construction) - SDHC JOC Contract #JOC-18-05
  - f. Harry H. Joh Construction Inc. (Mechanical) - SDHC JOC Contract #JOC-18-06
  - g. Nexgen Building Group- SDHC JOC Contract #JOC-18-07



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- h. Pacific Building Group (General Construction) - SDHC JOC Contract #JOC-18-08
  - i. Pacific Contractors Group Inc. (Painting) - SDHC JOC Contract #JOC-18-09
  - j. Vet-Force Engineering & Construction (Engineering) - SDHC JOC Contract #JOC-18-10
  - k. Vincor Construction, Inc.- SDHC JOC Contract #JOC-18-11
- 3) Authorize the President & CEO, or designee, to substitute the identified contract funding sources with other available funding sources as long as the total activity budget amount after substitution does not exceed the total approved budget, should the operational need arise or should actions be to the benefit of the Housing Commission and its mission; and
- 4) Authorize the President & CEO, or designee, to execute all documents and instruments necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and take such actions as are necessary and/or appropriate to implement these approvals.

**102 HCR18-053 Multifamily Mortgage Revenue Bond Program Policy Amendments**

That the San Diego Housing Commission (Housing Commission) recommend that the Housing Authority of the City of San Diego (Housing Authority) take the following actions, as described in this report.

- 1) Approve the proposed amendments to the Multifamily Mortgage Revenue Bond Policy as discussed in this report to incorporate into the Housing Commission's policy additional revisions requested by California Debt Limit Allocation Committee (CDLAC) staff for conformance with applicable law. Changes to the policy will apply only to bond issuances in progress and new bond applications received after the Housing Authority's proposed approval; and
- 2) Authorize the President and Chief Executive Officer of the Housing Commission, or his designee, to perform such acts as necessary or appropriate to implement the revised Bond Policy and administer the Housing Commission's Bond Program.

**ACTION AGENDA:**

**103 HCR18-061 Loan Recommendation and Preliminary Bond Authorization for West Park**

Tina Kessler, Housing Programs Manager, Real Estate Division, presented the request for approval.

Motion by Commissioner Moraga to take the following staff recommended actions. Seconded by Commissioner Surdi and passed by a vote of 7-0.

That the San Diego Housing Commission (Housing Commission) take the following actions and recommend that the Housing Authority of the City of San Diego (Housing Authority) and San Diego City Council (City Council) take the following actions, as described in this report.



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**Housing Commission:**

- 1) Approve a Housing Commission residual receipts loan of up to \$3,593,274 to HDP West Park L.P., a California limited partnership, to facilitate the proposed acquisition with rehabilitation of West Park, a 47-unit existing development, located at 1830 Fourth Avenue, San Diego 92101, which will include 46 units for seniors and adults with mental disabilities who are experiencing homelessness that will remain affordable for 55 years.

The Housing Commission's proposed loan will be contingent upon the developer receiving all necessary third-party funding commitments, including a California Tax Credit Allocation Committee (TCAC) award of approximately \$4,535,051 of 4 percent tax credits, an approximate \$9,000,000 tax-exempt bonds financed loan, and a seller loan described in this report. Such third-party funding commitments will be subject to the Housing Commission's General Counsel's approval.

- 2) Adjust the terms of the 65-year ground lease from the Housing Commission to HDP West Park L.P. so that the annual ground rent will equal the lesser of: (i) 4.5 percent of HDP West Park, L.P.'s gross annual income; or (ii) 100 percent of HDP West Park, L.P.'s cash flow.
- 3) Authorize the Executive Vice President and Chief of Staff (Executive Vice President), or designee:
  - a. To adjust financing terms/conditions as necessary for consistency with requirements of other funding sources or to accommodate market changes that may occur, provided that the proposed \$3,593,274 maximum loan amount may not increase.
  - b. To substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the Executive Vice President, or designee, to take such actions as are necessary, convenient and/or appropriate to implement this approval and delegation of authority by the Housing Commission upon advice of General Counsel.

**Housing Authority:**

- 1) Approve the following steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds for West Park:
  - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$9,000,000 in tax exempt Multifamily Housing Revenue Bonds for the rehabilitation of West Park;
  - b. Authorize 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 of up to \$9,000,000 for West Park;
  - c. Approve a bond financing team of Jones Hall as bond counsel, and Ross Financial as bond financial advisor;
- 2) Authorize the Executive Vice President, or designee to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by General Counsel and Bond Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of General Counsel and/or Bond Counsel.



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**City Council:**

Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing, and adopt a resolution approving the Housing Authority's issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount of up to \$9,000,000.

**104 HCR18-062 Revised Preliminary Bond Authorization for Hillside Views Apartments**

Joe Correia, Senior Real Estate Project Manager, Real Estate Division, presented the request for approval.

Motion by Commissioner Moraga to take the following staff recommended actions. Seconded by Commissioner Surdi and passed by a vote of 7-0.

That the San Diego Housing Commission (Housing Commission) recommend that the Housing Authority of the City of San Diego (Housing Authority) and the San Diego City Council (City Council) take the following actions, as described in this report.

**Housing Authority:**

- 1) Approve the following steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds for Hillside Views Apartments (Hillside) (formerly known as President John Adams Manor), a 300-unit existing development, located at 5471 Bayview Heights Place, San Diego 92105, that will include 297 units that will remain affordable for 55 years:
  - a. Approve a resolution amending the bond inducement resolution (Declaration of Official Intent) of the previously approved \$32,000,000 maximum bond amount to a revised up to \$41,000,000 maximum amount of Multifamily Housing Revenue Bonds for the development of Hillside by a California limited partnership to-be-formed by Metropolitan Area Advisory Committee on Anti-Poverty (MAAC);
  - b. Authorize 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 \$41,000,000 for Hillside;
  - c. Confirm the previously approved financing team of Quint & Thimmig as Bond Counsel and Ross Financial as Financial Advisor; and
- 2) Authorize the Housing Commission President & Chief Executive Officer (President & CEO), or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by General Counsel and Bond Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of General Counsel and/or the Bond Counsel.

**City Council:**

Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of Multifamily Housing Revenue Bonds in an amount up to \$41,000,000.



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**105 HCR18-052 Final Bond Authorization for Parkside Apartments**

Joe Correia, Senior Real Estate Project Manager, Real Estate Division, presented the request for approval

Motion by Commissioner Hubbard to take the following staff recommended actions. Seconded by Commissioner Davis and passed by a vote of 7-0.

That the San Diego Housing Commission (Housing Commission) recommend that the Housing Authority of the City of San Diego (Housing Authority) authorize the issuance of up to \$5,500,000 in tax-exempt Multifamily Housing Revenue Bonds to facilitate single asset buyer Parkside SD Apartments, L.P.'s acquisition and rehabilitation of Parkside Apartments (Parkside), a 40-unit multifamily rental housing development, located at 4035 Park Haven Court, San Diego, in the Southeastern San Diego Mountain View neighborhood, which will remain affordable for 55 years.

**106 HCR18-058 Approval of forgivable loan to Island Inn, L.P. to extend affordability for 201-unit project located at 202 Island Avenue, San Diego, California, with Redevelopment Agency restrictions that expired in 2017**

This item was removed from the Agenda.

**107 HCR18-063 Workshop & Discussion: San Diego Housing Commission Website Redesign and Data Dashboards**

**NO ACTION WAS REQUIRED ON THE PART OF THE HOUSING COMMISSION**

A workshop was presented to the San Diego Housing Commission (Housing Commission) Board of Commissioners regarding the redesign of the San Diego Housing Commission's website, [www.sdhc.org](http://www.sdhc.org), and dashboards created to provide summary data about the agency's programs.

**ADJOURNMENT:**

Chair Urtasun adjourned the Regular Meeting at 10:46 a.m.

Respectfully submitted,

Scott Marshall  
Vice President  
Communications and Government Relations  
San Diego Housing Commission

Approved by,

Richard C. Gentry  
President & Chief Executive Officer  
San Diego Housing Commission