



SAN DIEGO
HOUSING
COMMISSION

MINUTES

SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
FEBRUARY 8, 2019
SMART CORNER
4th FLOOR CONFERENCE ROOM
1122 BROADWAY
SAN DIEGO, CALIFORNIA 92101

ATTENDANCE

Present:

Chair Stefanie Benvenuto
Commissioner Ryan Clumpner
Commissioner Margaret Davis
Commissioner Johanna Hester
Commissioner Kellee Hubbard
Commissioner Tim Walsh
President & CEO Richard C. Gentry
General Counsel Charles Christensen

Absent:

Commissioner Frank Urtasun

10 CALL TO ORDER

Chair Benvenuto called the Regular Meeting to order at 9:03 a.m.

20 NON-AGENDA PUBLIC COMMENT

There were no public comments.

30 COMMISSIONER COMMENTS

Chair Benvenuto visited the 13th Project Homeless Connect – Downtown San Diego on January 30, 2019, at Golden Hall and was impressed by the work of staff, breadth of services provided, and the expertise and wonderful attitude of the service providers.

40 REPORT BY PRESIDENT & CHIEF EXECUTIVE OFFICER

HOUSING FIRST – SAN DIEGO

The current phase of the San Diego Housing Commission's (Housing Commission) homelessness action plan, HOUSING FIRST – SAN DIEGO, has created more than 3,000 housing opportunities



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for San Diegans experiencing homelessness or at risk of homelessness, achieving its three-year goal in just 18 months. Cumulatively, all of the phases of HOUSING FIRST – SAN DIEGO, which initially launched on November 12, 2014, have created close to 6,000 housing opportunities for San Diegans experiencing homelessness in less than five years

The 13th Project Homeless Connect

The 13th Project Homeless Connect – Downtown San Diego on January 30, 2019, served 905 San Diegans experiencing homelessness. Mayor Kevin L. Faulconer; Council President Georgette Gómez and Councilmember Chris Ward, the Honorary Co-Chairs of this year’s event; Council President Pro Tem Barbara Bry; Councilmembers Jennifer Campbell and Monica Montgomery; and Housing Commission Chair Stefanie Benevenuto visited Project Homeless Connect. This year’s event brought together more than 100 service provider booths and approximately 140 volunteers under one roof at Golden Hall. The Housing Commission has been the lead organizer for this one-day resource fair for nine consecutive years. The major organizing partners for Project Homeless Connect are the City of San Diego; Interfaith Shelter Network; Family Health Centers of San Diego; and Father Joe’s Villages.

Point-In-Time Count

San Diego’s Point-in-Time Count census of the homeless population took place in the early morning hours of January 25, 2019. Among the hundreds of volunteers who participated were: California State Senate President pro Tem Toni Atkins; California State Assemblymember Todd Gloria; San Diego County Supervisors Greg Cox and Nathan Fletcher; San Diego City Councilmembers Mark Kersey and Chris Ward; Housing Commission Chair Stefanie Benvenuto; Housing Commission Vice Chair Ryan Clumpner; and former Housing Commission Chair Gary Gramling.

California Treasurer’s Affordable Housing Listening Tour

The Housing Commission hosted California State Treasurer Fiona Ma on January 17, 2019, on her statewide affordable housing listening tour. President & CEO Gentry joined Treasurer Ma and Deputy Treasurer of Housing and Economic Development Jovan Agee in a discussion with more than 60 members of the community. Commissioner Hester was among those who attended, along with developers, nonprofit partners, and supporters of creating more affordable housing.

Landlord Survey Results

In December 2018, the Housing Commission conducted a survey of landlords who partner with the Housing Commission in the Section 8 Housing Choice Voucher rental assistance program. The Housing Commission received responses from 313 landlords. More than 82 percent said the Housing Commission’s overall customer service was “good,” “very good” or “excellent.” The number of landlords who responded “very good” or “excellent” increased by 10 percent since 2015. More than three-quarters of landlords said Housing Commission staff were “very knowledgeable” or “extremely knowledgeable.” And the top three reasons landlords gave for partnering with the Housing Commission were consistent and on-time payments (84.6 percent); unit inspections occur every two years (37.4 percent); and the landlord stays in control of selecting tenants (33.9 percent).



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50 APPROVAL OF THE MINUTES

The minutes of the Regular Housing Commission meeting of January 11, 2019, were approved on a motion by Commissioner Davis, seconded by Commissioner Clumpner, and passed by a vote of 6-0.

CONSENT AGENDA:

Motion by Commissioner Hubbard to approve items 100 and 101 on consent. Seconded by Commissioner Davis and passed by a vote of 6-0.

100 HCR19-022 Approval of the Contract between the San Diego Housing Commission and Simon Landscape Architecture to perform Engineering/Landscape Architecture Design Services

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

- 1) Approve the award of a five-month agreement with Simon Landscape Architecture in an amount not to exceed \$324,800 with no renewal options; and
- 2) Authorize the President & Chief Executive Officer (President & CEO), 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 take such actions as are necessary and/or appropriate to implement these approvals.

101 HCR19-023 Amendment to Plumbing Maintenance and Repair Services Agreement No. PM-18-09

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

- 1) Approve Amendment 1 (Attachment 1) to increase the annual maximum contract amount with GPS Plumbing in the first contract year (February 1, 2018 – January 31, 2019) from \$499,000 to \$599,000 for plumbing maintenance and services at San Diego Housing Commission–owned and/or managed properties in the City of San Diego. The original contract amounts for the following four one-year options to renew at the Housing Commission’s discretion shall remain intact;
- 2) Authorize the President & Chief Executive Officer (President & CEO), or designee, to substitute the funding sources with other available funding sources provided that the total program/project budget amount after substitution does not exceed the approved total budget, should the operational need arise or should such actions be to the benefit of the Housing Commission and its mission; and



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- 3) Authorize the President & CEO, 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 take such actions as are necessary and/or appropriate to implement these approvals.

ACTION AGENDA:

102 HCR19-006 Final Bond Authorization for Harbor View Apartments

Colin Miller, Vice President, Multifamily Housing Finance, Real Estate Division, presented the request for approval.

Motion by Commissioner Walsh to take the following staff recommended actions. Seconded by Commissioner Clumpner and passed by a vote of 6-0.

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:

Housing Authority:

Authorize the issuance of up to \$10,000,000 in tax-exempt Multifamily Housing Revenue Bonds to facilitate Harbor View SD Partners, L.P.'s acquisition and rehabilitation of Harbor View Apartments, a 60-unit development, located at 404 North 47th Street, San Diego, in the Encanto community planning area, which will remain affordable for 55 years.

City Council:

Hold a Tax Equity Fiscal Responsibility Act (TEFRA) hearing, and adopt a resolution approving the issuance of Multifamily Housing Revenue Bonds in an amount up to \$10,000,000.

**103 HCR19-015 Intercreditor Agreement for the Veterans Village of San Diego
 Campus at 4141 Pacific Highway (Phases I – V)**

Charles B. Christensen, General Counsel, presented the request for approval.

Motion by Commissioner Davis to take the following staff recommended actions. Seconded by Commissioner Hubbard and passed by a vote of 6-0.

That the San Diego Housing Commission (Housing Commission) take the following actions, as described in this report:

1. Approve an Intercreditor Agreement capturing modifications to the of Declarations of Covenants, Conditions and Restrictions and Loan Agreements (Governing Instruments) concerning the Veterans Village of San Diego (VVSD) owned property at 4141 Pacific Highway (Phases I – V) to allow occupancy by individuals experiencing homelessness with



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income up to 80 percent of the San Diego Area Median Income (AMI), in certain circumstances, and to allow non-veterans to occupy the units that are the subject of the Governing Instruments, as approved by the Housing Commission, on an ad hoc basis; and

2. Authorize the Housing Commission President and Chief Executive Officer (President & CEO), or designee, to execute any and all documents that are necessary to effectuate the Intercreditor Agreement and implement these approvals in a form approved by General Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of General Counsel.

104 HCR19-016 Approval of Contract renewal between San Diego Housing Commission and Mental Health Systems (MHS) to operate the City of San Diego's Transitional Storage Center, currently known as the Storage Connect Center, at 116 South 20th Street, San Diego, California 92113

Jeff Davis, Executive Vice President & Chief of Staff, and Lisa Jones, Senior Vice President Homeless Housing Innovations, presented the request for approval.

Keely Halsey, Chief of Homelessness Strategies and Housing Liaison, City of San Diego, spoke in favor.

Father John Auther, Pastor, Our Lady of Guadalupe, spoke in opposition.

Motion by Commissioner Clumpner to take the following staff recommended actions. Seconded by Commissioner Walsh and passed by a vote of 6-0.

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:

1. Approve a two-month extension of the contract term for the current Agreement (Attachment No. 1) with Mental Health Systems, Inc. (MHS), for the operation of the City of San Diego's Transitional Storage Center, currently known as the Storage Connect Center (Center), at 116 South 20th Street, San Diego, California 92113 (Premises), for an amended term of May 14, 2018, through June 30, 2019, and a corresponding amendment to the contract budget to accommodate the two additional operating months in the amended term at current capacity of 500 storage units at any one time for an adjusted budget of \$1,426,729.26 (an addition of \$160,084.26 for the extension) (Attachment 2);
2. Approve the execution of the first one-year renewal option and third amendment of the Agreement with Mental Health Systems (MHS), contingent on necessary City of San Diego approvals, if any, to operate the Center for a term of July 1, 2019, through June 30, 2020, with a corresponding budget at current capacity of 500 storage units at any one time with an annual budget amount of \$1,190,828.40, on terms and conditions as set forth in the



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agreement, which is attached hereto as Attachment No. 3, as it may be amended upon advice of General Counsel of the Housing Commission;

3. Authorize the President and Chief Executive Officer (President & CEO), or delegated designee, to execute the Agreement and any and all other documents and agreements that are necessary to implement these approvals;
4. Authorize the President & CEO to take such actions as are reasonably necessary to implement the approvals referenced in this report;
5. Authorize the allocation and expenditure of funds in the Fiscal Year 2020 Housing Commission budget to support the payment of building lease costs for the lease to be renewed by the City of San Diego for the Center (Attachment No. 4), from July 1, 2019, through June 30, 2020. The total expected funding is set forth in Attachment No. 5, and,
6. Authorize the President & CEO, or delegated designee, to substitute funding sources and/or increase funding amounts for services provided under the Agreement for the operation of the Center and for the payment of lease payments for the lease agreement to be entered into by the City of San Diego for the Premises by not more than 20 percent of the original amount allocated herein, if necessary, without further action of the Housing Commission or Housing Authority, but only if and to the extent that such funds are determined to be available for such purposes and when it is determined to be in the best interests of the Housing Commission.

105 HCR19-017 Loan Recommendation for the Ivy Senior Apartments

Colin Miller, Vice President, Multifamily Housing Finance, Real Estate Division, and Joe Correia, Senior Real Estate Project Manager, Real Estate Division, presented the request for approval.

Motion by Commissioner Davis to take the following staff recommended actions. Seconded by Commissioner Hester and passed by a vote of 6-0.

That the San Diego Housing Commission (Housing Commission) take the following actions, as described in this report:

1. Approve a Housing Commission residual receipts loan in an amount not to exceed \$6,500,000 to Mt. Alifan Apartments L.P. a California limited partnership formed by Wakeland Housing & Development (Wakeland), and a tax credit investor to finance the development of the Ivy Senior Apartments, a 53-unit affordable rental housing development to be located at 5858 Mt. Alifan Drive, San Diego, 92111, which will include 52 units that will remain affordable for 55 years.. The proposed loan would be contingent upon the developer receiving all necessary third-party funding commitments as referenced in this report. Third party funding commitments would be subject to the Housing Commission's General Counsel's approval.



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2. Authorize the President and Chief Executive Officer (President & CEO) of the Housing Commission, or designee:
 - a. To execute all necessary documents and instruments to effectuate the transaction and implement the project, in a form approved by General Counsel, and to take such actions as are necessary, convenient and/or appropriate to implement the approvals upon advice of General Counsel;
 - b. 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 \$6,500,000 maximum Housing Commission loan amount may not increase; and
 - c. To substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the President & CEO, 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.

106 HCR19-018 Loan Recommendation for Hollister

Colin Miller, Vice President, Multifamily Housing Finance, Real Estate Division, presented the request for approval.

Motion by Commissioner Davis to take the following staff recommended actions. Seconded by Commissioner Hubbard and passed by a vote of 6-0.

That the San Diego Housing Commission (Housing Commission) take the following actions, as described in this report:

1. Approve a Housing Commission residual receipts loan in an amount not to exceed \$4,860,000 to Hollister Apartments, LP to finance the proposed rehabilitation of a motel located at 1010 Outer Road, San Diego, CA 92154, to create 82 units of permanent supportive housing for individuals experiencing homelessness, which will remain affordable for 55 years, and one unrestricted manager's unit;

The Housing Commission's proposed loan would be contingent upon the developer receiving all necessary third-party funding commitments, including a California Tax Credit Allocation Committee (TCAC) award of 9 percent tax credits, as well as additional funds from other third-party sources as described in this report.

2. Authorize the President and Chief Executive Officer (President & CEO) of the Housing Commission, or designee:



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- a. To execute all necessary documents and instruments to effectuate the transaction and implement the project, in a form approved by General Counsel, and to take such actions as are necessary, convenient and/or appropriate to implement the approvals upon advice of General Counsel;
- b. 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 \$4,860,000 maximum Housing Commission loan amount may not increase; and
- c. To substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the President & CEO, 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.

107 HCR19-019 Loan Recommendation for Trinity Apartments

Colin Miller, Vice President, Multifamily Housing Finance, Real Estate Division, presented the request for approval.

Motion by Commissioner Hester to take the following staff recommended actions. Seconded by Commissioner Davis and passed by a vote of 6-0.

That the San Diego Housing Commission (Housing Commission) take the following actions, as described in this report:

1. Approve a Housing Commission residual receipts loan in an amount not to exceed \$700,000 to Wakeland Trinity Place, LP to finance the new construction development of 74 units at 4445 Glacier Avenue, San Diego, CA 92120, of which 73 units for seniors experiencing homelessness will remain affordable for 55 years.

The Housing Commission's proposed loan would be contingent upon the developer receiving all necessary third-party funding commitments, including a California Tax Credit Allocation Committee (TCAC) award of 9 percent tax credits, as well as additional funds from other third party sources as described in this report.

2. Authorize the President and Chief Executive Officer (President & CEO) of the Housing Commission, or designee:
 - a. To execute all necessary documents and instruments to effectuate the transaction and implement the project, in a form approved by General Counsel, and to take such actions as are necessary, convenient and/or appropriate to implement the approvals upon advice of General Counsel;
 - b. 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



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- the proposed \$700,000 maximum Housing Commission loan amount may not increase; and
- c. To substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the President & CEO, 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.

108 HCR19-014 Workshop & Discussion: San Diego Housing Commission Administrative Services

NO ACTION WAS REQUIRED ON THE PART OF THE HOUSING COMMISSION

Suket Dayal, Senior Vice President, Business Administration, and Debra Fischle-Faulk, Vice President, Procurement and Compliance, presented an informational workshop to provide an overview of the San Diego Housing Commission Administrative Services Division that includes Procurement, Grants & Special Programs, and Section 3/Equal Opportunity Contracting/Labor Compliance. The workshop provided the regulatory guidelines, roles and responsibilities and shared outcomes. No action was taken on this item.

109 HCR19-020 Workshop & Discussion: Fiscal Year 2020 Moving to Work Annual Plan

NO ACTION WAS REQUIRED ON THE PART OF THE HOUSING COMMISSION

Jeff Davis, Executive Vice President & Chief of Staff, and Suket Dayal, Senior Vice President of Business Administration, presented an informational workshop on the Fiscal Year 2020 Moving to Work (MTW) Annual Plan. No action was required.

The San Diego Housing Commission (Housing Commission) is one of only 39 public housing authorities nationwide (out of 3,400) to receive an MTW designation from U.S. Department of Housing and Urban Development (HUD). As a result, the Housing Commission has the ability to seek HUD approval to implement a variety of innovative new approaches to provide affordable housing assistance and other services to low-income families within the City of San Diego. Housing Commission staff is developing the Fiscal Year 2020 MTW Annual Plan (Plan) in accordance with HUD regulations, to seek HUD approval. This plan includes the proposal of a Landlord Partnership Program initiative to incentivize landlords to lease units to the Housing Commission's Section 8 Housing Choice Voucher (HCV) rental assistance families. It also includes a reproposal of "The Monarch School Project," a local, non-traditional, tenant-based rental assistance program in partnership with the Monarch School, to offer affordable housing solutions to families experiencing homelessness that have school-aged children. The Plan includes a description of the proposed initiatives and how performance will be measured and tracked. In addition to providing information on the draft Plan, the workshop will share some of the successes achieved through the Housing Commission's MTW flexibility.



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CLOSED SESSION:

The San Diego Housing Commission convened in closed session to consider the following agenda:

- I. Announcement by Counsel of the Matters to be discussed in Closed Session and the basis upon which each will be discussed, as referenced within the Brown Act.
- II. Public Testimony and Comment, if any, concerning any matter on the Closed Session Agenda.
- III. Commissioner comments, if any.
- IV. Commission will convene in closed session to consider the following agenda:
 - A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION pursuant to subdivision (c) of section 54954.5 of the Government Code and pursuant to subdivision (d)(1) of section 54956.9:

One (1) matter:

SDHC vs. APR Construction, Inc.; Eric Scarbrough, Superior Court of California, County of San Diego, Case No. 37-2016-00011386-CU-BC-CTL consolidated with 37-2018-00009966-CU-BC-CTL.

Counsel will seek direction from the Board concerning potential settlement of the foregoing consolidated cases.

By a vote of 5-0, with Commissioner Hester and Commissioner Urtasun absent, the Board approved this matter.
- V. Announcement of Actions Taken in Closed Session.

Closed session items were introduced in open session at 10:57 a.m. and members of the public were given the opportunity to make public comment on the matters before the Housing Commission convened in closed session. There were no public comments made.



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ADJOURNMENT:

Chair Benvenuto adjourned the Regular Meeting at 10:58 a.m.

Respectfully submitted,

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

Approved by,

Jeff Davis
Executive Vice President & Chief of Staff
San Diego Housing Commission