



SAN DIEGO
HOUSING
COMMISSION

MINUTES

SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
OCTOBER 4, 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
President & CEO Richard C. Gentry
General Counsel Charles Christensen

Absent:

Commissioner Kellee Hubbard
Commissioner Frank Urtasun

10 CALL TO ORDER

Chair Benvenuto called the Regular Meeting to order at 9:01 a.m.

20 NON-AGENDA PUBLIC COMMENT

Joy Sunyata spoke about preservation.

30 COMMISSIONER COMMENTS

There were no Commissioner comments.

40 REPORT BY PRESIDENT & CHIEF EXECUTIVE OFFICER

Standard & Poor's Affirms SDHC's 'AA' Rating

On October 2, 2019, Standard & Poor's Global Ratings (S&P) affirmed the San Diego Housing Commission's (Housing Commission) "AA" credit rating. This is the sixth consecutive year that the Housing Commission has received this rating, which is based on the Housing Commission's "very strong financial profile" and "very strong overall strategy and management." This is S&P's second highest rating



Regular Meeting Minutes of October 4, 2019

and the highest rating S&P will provide to a local public housing authority because of housing authorities' reliance on federal government funding.

The Beacon Grand Opening

The Beacon development celebrated its grand opening on September 20, 2019. The Beacon provides 43 affordable studio apartments with supportive services for San Diegans who experienced homelessness. These units are among more than 7,600 housing opportunities that our homelessness action plan, HOUSING FIRST – SAN DIEGO, has created in less than five years for San Diegans experiencing homelessness or at risk of homelessness. Housing Commission Vice Chair Clumpner spoke at the event, along with California State Assembly Majority Whip Todd Gloria and San Diego City Councilmember Chris Ward. Representatives from the offices of U.S. Representative Scott Peters, California State Senate President Pro Tem Toni Atkins and Mayor Kevin Faulconer also participated.

Pacifica at Playa del Sol Grand Opening

A Housing Commission partnership development that serves San Diegans with developmental disabilities celebrated its grand opening on September 26, 2019. Pacifica at Playa del Sol provides a total of 42 affordable apartments in Otay Mesa for families with low income. Close to 30 percent of those units—or 12 apartments—are set aside for families with members who have developmental disabilities, such as autism, cerebral palsy or epilepsy. The San Diego Regional Center is coordinating services for these residents. Chelsea Investment Corporation developed Pacifica. Additional partners for the Pacifica development included the County of San Diego, Pardee Homes, Southern California Housing Collaborative, the Foundation for Developmental Disabilities, The Richman Group and Banner Bank.

Alpha Lofts Wins Building Industry Association (BIA) Icon Award

Alpha Lofts—another Housing Commission partnership development with Chelsea—was recognized on September 21, 2019, with the Building Industry Association's Icon Award as "Best Affordable Community of the Year." This is another HOUSING FIRST – SAN DIEGO development. Alpha Lofts provides 52 furnished, affordable apartments to military veterans who experienced homelessness.

50 APPROVAL OF THE MINUTES

The minutes of the Regular Housing Commission meeting of September 6, 2019, were approved on a motion by Commissioner Davis, seconded by Commissioner Clumpner, and passed by a vote of 4-0.

ACTION AGENDA:

100 HCR19-105 Housing Trust Fund Variance Request for Access Youth Academy

General Counsel Charles Christensen; Julia Sauer, Director, Grants & Compliance; and Jasmine Kotlarz, Special Programs Manager, Grants and Compliance, presented the request for approval.

Motion by Chair Benvenuto to grant a variance request of \$0.80 per square foot, instead of the proposed rate of \$1.65 per square foot. Seconded by Commissioner Clumpner and passed by a vote of 4-0.



Regular Meeting Minutes of October 4, 2019

That the San Diego Housing Commission (Housing Commission) deny Access Youth Academy's request for hardship and low-employee density variances from the City of San Diego's Housing Impact Fee of \$36,200.56.

In the alternative to denying the request for waiver of the fee, the Housing Commission Board, in its discretion, could elect to grant a variance and calculate the fee at the lowest rate per square foot that can be charged under the terms of the applicable ordinance, which is \$0.80 per square foot, instead of the proposed rate of \$1.65 per square foot.

101 HCR19-106 Housing Trust Fund Variance Request for KIPP San Diego

General Counsel Charles Christensen; Julia Sauer, Director, Grants & Compliance; and Jasmine Kotlarz, Special Programs Manager, Grants and Compliance, presented the request for approval.

Motion by Commissioner Davis to take the following staff recommended actions. Seconded by Commissioner Clumpner and passed by a vote of 4-0.

That the San Diego Housing Commission (Housing Commission) deny KIPP San Diego's request for a hardship variance from the City of San Diego's Housing Impact Fee of \$21,688.

102 HCR19-087 Final Bond Authorization for 14th & Commercial

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

Motion by Commissioner Clumpner to take the following staff recommended actions. Seconded by Commissioner Hester and passed by a vote of 4-0.

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 \$101,000,000 in Multifamily Housing Revenue Bonds/note to facilitate 14th and Commercial CIC L.P.'s new construction of 14th and Commercial Apartments, which will consist of three managers' units and 323 affordable rental housing units located at 1 14th Street, San Diego, that will remain affordable for 55 years, of which 93 units will be for very-low and low-income tenants and 230 units will be permanent supportive housing for very low- and low-income individuals experiencing homelessness in the City of San Diego who will receive assistance through the Project-Based Housing Voucher program, who meet income criteria, and who are identified as most appropriate for permanent supportive housing through the Coordinated Entry System.

103 HCR19-088 Final Bond Authorization for 14C VHHP

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

Motion by Commissioner Clumpner to take the following staff recommended actions. Seconded by Commissioner Davis and passed by a vote of 4-0.



Regular Meeting Minutes of October 4, 2019

That the San Diego Housing Commission (Housing Commission) recommend that the Housing Authority of the City of San Diego (Housing Authority):

- 1) Authorize the issuance of up to \$22,000,000 in tax-exempt Multifamily Housing Revenue Bonds/note to facilitate 14th and Commercial CIC VHHP L.P.'s new construction of 14C VHHP Apartments, which will consist of one manager's unit and 80 affordable rental housing units located at 1 14th Street, San Diego, that will remain affordable for 55 years, of which 40 units will be for low- and very low-income tenants; 24 units will be permanent supportive housing for very low-income individuals experiencing homelessness in the City of San Diego who will receive assistance through the Project-Based Housing Voucher program, who meet income criteria, and who are identified as most appropriate for permanent supportive housing through the Coordinated Entry System; and 16 units will be permanent supportive housing for very low-income veterans experiencing chronic homelessness in the City of San Diego who will receive assistance through Veterans Affairs Supportive Housing (VASH) Project-Based Housing Vouchers, who meet income and U.S. Department of Veterans Affairs criteria, and who are identified as most appropriate for permanent supportive housing through the Coordinated Entry System; and
- 2) Authorize the issuance of up to \$2,000,000 in taxable Multifamily Housing Revenue Bonds/note for the 14th and Commercial CIC VHHP L.P.'s construction financing for 14C VHHP Apartments.

104 HCR19-110 Recommend Approval of the Fiscal Year 2020 Operating Agreement for the City of San Diego Bridge Shelter located at 1710 Imperial Avenue, San Diego, CA 92101 and Amendment to the Memorandum of Understanding Between the City of San Diego and the San Diego Housing Commission for the oversight and administration of the City's Bridge Shelters

Lisa Jones, Senior Vice President, Homeless Housing Innovations, and Casey Nguyen, Director, Housing First Administration, Homeless Housing Innovations, presented the request for approval.

General Counsel Charles Christensen stated an update for the record regarding additional Environmental Review in Support of CEQA Exemption:

The Amendment to the Memorandum of Understanding Between the City of San Diego and the San Diego Housing Commission for the oversight and administration of the City's Bridge Shelters and Other Actions Related to Operation of the Bridge Shelter located at 1710 Imperial Avenue is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) (Common Sense) which states that CEQA applies only to projects that have the potential for causing a significant effect on the environment. The Common Sense Exemption is applicable where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. The action would amend the Memorandum of Understanding between the City of San Diego and the San Diego Housing Commission to include the oversight and administration of the new City bridge shelter located at 1710 Imperial Avenue and would allocate funding to support this shelter. This would not, on its own accord, cause a significant effect on the environment.



Regular Meeting Minutes of October 4, 2019

Lisa Jones stated an update for the record regarding the following Fiscal Considerations:

Staff Recommendation No. 2:

Authorize the execution of an agreement with Alpha Project in the amount of \$2,545,863.38 (which includes a ramp-up budget amount of \$150,000, and an initial operating budget amount of \$2,395,863.38) for an initial operating period of October 16, 2019, through June 30, 2020, and an annual operating budget amount for subsequent option years of \$3,508,074 to provide bridge housing and emergency shelter services to persons experiencing homelessness in the City of San Diego, consisting of the following funding sources for the initial operating term: Homeless Emergency Aid Program (HEAP) funds in the amount of \$444,981, and Low Income Lease Revenue funds in the amount of \$2,336,625.38, for the Fiscal Year (FY) 2020 operational and ramp-up budget, allocated by the Housing Commission contingent upon the appropriation of said funds by the City of San Diego;

FISCAL CONSIDERATIONS

The City of San Diego will fund this project with Homeless Emergency Aid Program (HEAP) funds already allocated by City Council Resolution (R-312516) for this purpose, in the amount of \$444,981. The City of San Diego is also bringing a companion item to City Council on October 15, 2019, to request City Council approval to allocate \$2,336,625.38 in Low Income Lease Revenue funds for the FY 2020 operational and ramp-up budget of the Bridge Shelter located at 1710 Imperial. For the total amount of FY 2020 funds to be allocated for this program of \$2,781,606.38.

Keely Halsey, Chief of Homelessness Strategies & Housing Liaison for the office of Mayor Kevin L. Faulconer, spoke in favor.

Motion by Commissioner Davis to take the following staff recommended actions. Seconded by Commissioner Clumpner and passed by a vote of 4-0.

That the San Diego Housing Commission (Housing Commission) recommend that the Housing Authority of the City of San Diego (Housing Authority) and San Diego City Council (City Council) take the following actions:

Housing Authority:

- 1) Approve an operating agreement with Alpha Project for the Homeless (Alpha Project) for an initial term of October 16, 2019, through June 30, 2020, with two one-year options to renew, to operate the City of San Diego's Bridge Shelter located at 1710 Imperial Avenue, San Diego, CA 92101, on terms and conditions as set forth in the agreement (Agreement), as it may be amended upon advice of General Counsel of the Housing Commission;
- 2) Authorize the execution of an agreement with Alpha Project in the amount of \$2,634,886 (which includes a ramp-up budget amount of \$150,000, and an initial operating budget amount of \$2,484,886) for an initial operating period of October 16, 2019, through June 30, 2020, and an annual operating budget amount for subsequent option years of \$3,508,074 to provide bridge housing and emergency shelter services to persons experiencing homelessness in the City of San



Regular Meeting Minutes of October 4, 2019

Diego, consisting of the following funding sources for the initial operating term: Homeless Emergency Aid Program (HEAP) funds in the amount of \$1,318,500.50, and Low Income Lease Revenue funds in the amount of \$1,552,128.50, for the Fiscal Year (FY) 2020 operational and ramp-up budget, allocated by the Housing Commission contingent upon the appropriation of said funds by the City of San Diego;

- 3) Authorize the President & Chief Executive Officer (President & CEO) of the Housing Commission, or designee, to execute all necessary documents and instruments that are necessary and/or appropriate to implement these approvals, in a form and format approved by General Counsel, and to take such actions necessary and/or appropriate to implement these approvals
- 4) Authorize the President & CEO of the Housing Commission, or designee, to substitute funding sources and/or increase compensation by not more than 20 percent of the total agreement amount for the proposed agreement, if necessary, without further action by the Board of Commissioners (Board) of the Housing Commission, but only if and to the extent that funds are determined to be available for such purposes; and
- 5) Approve an amendment to the current Memorandum of Understanding between the City of San Diego and the Housing Commission for the oversight and administration of the City's Bridge Shelters to include the new City of San Diego Bridge Shelter located at 1710 Imperial Avenue, San Diego, CA 92101.

City Council:

Approve an amendment to the current Memorandum of Understanding between the City of San Diego and the Housing Commission for the oversight and administration of the City's Bridge Shelters to include the new City of San Diego Bridge Shelter located at 1710 Imperial Avenue, San Diego, CA 92101.

105 HCR19-114 Actions Establishing President & Chief Executive Officer Compensation for Period of September 19, 2019, through September 18, 2020, as recommended by the Ad Hoc CEO Performance Evaluation Committee of the San Diego Housing Commission

Chair Benvenuto presented the request for approval.

Motion by Chair Benvenuto to take the following staff recommended actions. Seconded by Commissioner Hester and passed by a vote of 4-0.

That the Board of Commissioners for the San Diego Housing Commission (Board) establish the CEO's compensation package retroactively to September 19, 2019, to coincide with the anniversary date of the commencement of employment, as authorized by the Employment Agreement, and as recommended by the CEO Performance Evaluation Ad Hoc Committee, consisting of the Chair Stefanie Benvenuto and Vice Chair Ryan Clumpner, for the period of September 19, 2019, through September 18, 2020, specifically:



Regular Meeting Minutes of October 4, 2019

- 1) Increase the CEO's current base salary by 3.5 percent for the period of September 19, 2019, through September 18, 2020, (the Compensation Period), in consideration of the outstanding/excellent work of the CEO as determined by the Board, and consistent with the 3.5 percent cost-of-living salary increase approved for all San Diego Housing Commission (Housing Commission) employees;
- 2) Maintain the CEO's current compensation package as referenced within the report for the period of September 19, 2018, through September 18, 2019, except as expressly modified by Items 1 and 3 of these recommendations; and
- 3) Approve a \$25,000.00 incentive performance payment in recognition of the CEO's accomplishment of all of the goals set at the CEO's last evaluation and his extraordinary performance.

106 HCR19-097 Workshop and Discussion: SDHC Strategic Plan 2016–2020

NO ACTION WAS REQUIRED ON THE PART OF THE HOUSING COMMISSION

Joy Sunyata spoke in favor.

Suket Dayal, Senior Vice President, Strategic Operations & Policy, and Mariangela Patruno, Moving to Work Program Administrator, presented a workshop to the San Diego Housing Commission Board of Commissioners with an update of the progress made in the third fiscal year of the four-year agency-wide Strategic Plan, which was approved by the Housing Commission Board on September 9, 2016.

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 anticipated litigation one (1) matter.
 - B. 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:



SAN DIEGO
HOUSING
COMMISSION

Regular Meeting Minutes of October 4, 2019

San Diego Tenant Union, and Darlisa McDowell vs. San Diego Housing Commission, San Diego Superior Court Case No. 37-2019-00012582-CU-WM-CTL

Counsel will discuss the litigation and seek direction from the Board on the defense of the case.

V. Announcement of Actions Taken in closed session.

IV.A. The Board gave General Counsel direction on handling of the matter, as well as direction for potential resolution of the matter, by a vote of 4-0, with Commissioner Hubbard and Commissioner Urtasun absent, the Board approved this matter. (Commissioner Walsh has resigned and is no longer a Commissioner.)

IV.B. This matter was informational only, no action was taken in closed session by the Board.

Closed session items were introduced in open session at 10:41 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.

ADJOURNMENT:

Chair Benvenuto adjourned the Regular Meeting at 11:02 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