



**SAN DIEGO
HOUSING
COMMISSION**

MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE REGULAR MEETING
OCTOBER 9, 2015
SMART CORNER
4th FLOOR CONFERENCE ROOM
1122 BROADWAY
SAN DIEGO, CALIFORNIA 92101**

ATTENDANCE

Present:

Chair Gary Gramling
Vice Chair Roberta Spoon
Commissioner Margaret Davis
Commissioner Kellee Hubbard
Commissioner Ben Moraga
Commissioner Dorothy Surdi
Commissioner Frank Urtasun
President & CEO Richard C. Gentry
General Counsel Charles Christensen

10 CALL TO ORDER

Chair Gramling called the Regular Meeting to order at 9:04 a.m.

20 NON-AGENDA PUBLIC COMMENT

There were no non-agenda public comments.

30 COMMISSIONER COMMENTS

There were no Commissioner comments.

40 REPORT BY PRESIDENT & CHIEF EXECUTIVE OFFICER

Joint SDHC Partnership Veterans Village of San Diego Grand Opening:

On October 9, Veterans Village of San Diego (VVSD) held the grand opening of its new building, Hickman Hall, which will provide 18 transitional housing beds, as well as supportive services facilities, for low-income female Veterans returning from Iraq and Afghanistan.



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SDHC invested more than \$1.4 million toward this expansion of VVSD, which operates a five-acre campus at 4141 Pacific Highway, where 350 homeless Veterans reside. SDHC has previously invested more than \$8.4 million in grants and loans to VVSD for their facility expansions.

Ribbon-cutting for New Storage Lockers at the City of San Diego's Homeless Transitional Storage Center:

A ribbon-cutting for 304 storage lockers at the City of San Diego's Homeless Transitional Storage Center (Storage Center), located at the SDHC-owned parking lot at 252 16th Street, was scheduled for 12:00 p.m. on October 9.

The Storage Center provides lockers and bins for homeless individuals to store their belongings as they look for housing, employment and attend school, clearing the streets and sidewalks of Downtown San Diego of more than 30,000 pounds of belongings.

SDHC administers the contract for the City of San Diego and leases the site to the nonprofit operator of the Storage Center, Girls Think Tank, for only \$1 a month, with the promise that they will use the rental savings of \$1,799 a month for program funds to operate the Storage Center.

50 APPROVAL OF THE MINUTES

The minutes of the regular Housing Commission meeting of September 11, 2015, and the special Housing Commission meeting of September 17, 2015, were approved on a motion by Commissioner Urtasun, seconded by Commissioner Davis, and passed by a vote of 7-0.

CONSENT AGENDA:

Motion by Commissioner Urtasun to approve the items listed below on consent. Seconded by Commissioner Surdi and passed by a vote of 7-0:

101 HCR15-079 Award of Security Services Contract for Hotel Sandford

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

- 1) Approve the award of a one-year contract to Power Security Group Inc., in an amount not to exceed \$130,000. The contract term shall be for a one-year period with four (4) one-year renewal options based on the needs of the Housing Commission;
- 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. Funding substitutions will be memorialized in an



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Informational Report at the next scheduled Housing Commission Board meeting; and

- 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.

102 HCR15-064 San Diego Rescue Mission Revocable Grant Repayment and Release of Affordability Restrictions

Item 102 approved as amended by General Counsel to add “and release the affordability restrictions” to Staff Recommendation No. 1.

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

- 1) Accept the repayment of \$329,210 as partial repayment of the revocable grant made to San Diego Rescue Mission for the project known as Harbor View located at 120 Elm Street, San Diego, as described within this report, and release the affordability restrictions;
- 2) Approve the forgiveness of \$73,158 of revocable grant funds in recognition of the provision of 10 years of housing affordability; and
- 3) Authorize the President & Chief Executive Officer, or designee, to execute all documents and instruments necessary and/or appropriate to implement these approvals, in the form approved by General Counsel, and to take such actions as are necessary and/or appropriate to implement these approvals.

ACTION AGENDA:

100 HCR15-080 Housing Opportunities Collaborative Memorandum of Understanding and Commercial Lease at Smart Corner

This item was pulled from the agenda and rescheduled.

103 HCR15-068 Proposed Fiscal Year 2016 Budget Revision HOME Investment Partnerships Program Federal Funds – Homeownership

Ted Miyahara, Director of Housing Finance, and Carrie Tapia, Program Analyst, presented the request for approval.

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



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

- 1) Approve the proposed revision to the Housing Authority-approved Fiscal Year (FY) 2016 Housing Commission Budget to add \$1,500,000 of Federal funds from the HOME Investment Partnerships Program (HOME) to the Homeownership budget for the First-Time Homebuyer (FTHB) Program, of which \$1,350,000 will be used for loans and grants and \$150,000 will be used for administration. HOME Funds are awarded by the U.S. Department of Housing and Urban Development (HUD) to the City of San Diego and are administered by the Housing Commission; and
- 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.

104 HCR15-074 Home Ownership Opportunity Program Loan Write-Off

Ann Kern, Vice President Real Estate Finance and Program Development, and Vicki Monce, Loan Services Manager, presented the request for approval.

Motion by Vice Chair Spoon to take the following staff-recommended actions. Seconded by Commissioner Urtasun and passed by a vote of 7-0:

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

- 1) Accept the reduced loan payoff of \$241,293 and authorize the write-off of the balance of \$223,707 due from Community HousingWorks (CHW) (as successor in interest to San Diego Neighborhood Housing Services) as outlined within this report; and
- 2) Authorize the President & Chief Executive Officer, or designee, to execute all documents and instruments necessary and/or appropriate to implement these approvals, in the form approved by General Counsel, and to take such actions as are necessary and/or appropriate to implement these approvals.



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105 HCR15-081 Workshop & Discussion: Addressing the Housing Affordability Crisis and Development Costs

A workshop was presented on addressing the housing affordability crisis in the City of San Diego, as well as recommended actions.

There was no action taken during the meeting of October 9 in relation to this item.

Closed session items were introduced in open session 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.

IV. The Housing Commission convened in closed session to consider the following agenda:

A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: President and Chief Executive Officer, San Diego Housing Commission

By a vote of 7-0, the Board evaluated the President and Chief Executive Officer.

B. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

pursuant to subdivision (c) of 54954.5 of the Government Code and pursuant to subdivision (a) of Section 54956.9:

Marian L. Malzahn, et al. vs. San Diego Housing Commission, et al., SDSC Case No. 37-2013-00079570-CU-WT-CTL

Counsel's Description of General Nature of Closed Session:

Counsel will discuss the existing litigation, will report on status and will seek direction from the Commission concerning the same.

This was an informational item. No action was taken.

C. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

pursuant to subdivision (c) of 54954.5 of the Government Code and pursuant to paragraph (4) of subdivision (d) of Section 54956.9:

Counsel's Description of General Nature of Closed Session:



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Counsel will discuss potential initiation of litigation related to default of the APR Construction at two sites.

Two (2) or more cases.

By a vote of 6-0, with Commissioner Urtasun absent, instruction was given to Counsel concerning the initiation of litigation.

D. CONFERENCE WITH REAL PROPERTY NEGOTIATORS pursuant to subdivision (b) of 54954.5 of the Government Code and 54956.8 of the Government Code

Property: Hotel Metro, 434 and 435 13th Street, San Diego, California (“Property”) APN: 535-156-07; 535-155-04 and 05

Agency negotiators: Richard C. Gentry, Jeff Davis, Debbie Ruane, Ted Miyahara, Ann Kern and Charles Christensen for the San Diego Housing Commission

Negotiating parties: Four (4) groups:

CRC Partners, LLC, Clark Realty Capital, Clark Builders Group, CBG Building Company, CRC Companies and CRC Property Management;

Trestle Development LLC and Canvas Ventures LLC;

Fowler Property Acquisitions, LLC; and

Walsh Chacon, Inc; Brian and Jeanette Malone and Brian and Erin Walsh

Under negotiation: Negotiator(s) will seek direction from the Commission concerning price and terms of payment.

By a vote of 7-0, direction was given to the Agency negotiators concerning the sale of Hotel Metro.

E. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION pursuant to subdivision (c) of 54954.5 of the Government Code and 54956.9 a. of the Government Code.



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Tucker vs. San Diego Housing Commission, et. al.; SDSC Case No. 37-2015-00018608-CL-MC-CTL

Counsel Description of Closed Session: Counsel will discuss the status of the pending litigation in San Diego Superior Court and will seek direction from the Board concerning the litigation.

The Board discussed this item, and no action was taken.

ADJOURNMENT:

Chair Gramling adjourned the Regular Meeting at 10:14 a.m.

Respectfully submitted,

Maria Velasquez
Senior Vice President, Communications
and Legislative Affairs
& Chief Communications Officer
San Diego Housing Commission

Approved by,

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