



SAN DIEGO
HOUSING
COMMISSION

MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE SPECIAL MEETING
MAY 6, 2021
VIDEO CONFERENCE PURSUANT TO
CALIFORNIA GOVERNOR GAVIN NEWSOM'S
EXECUTIVE ORDER N-29-20**

ATTENDANCE

Present:

Chair Stefanie Benvenuto
Commissioner Ryan Clumpner
Commissioner Margaret Davis
Commissioner Johanna Hester
Commissioner Eugene "Mitch" Mitchell
Deputy CEO Jeff Davis
General Counsel Charles Christensen

Note Present:

Commissioner Dion Akers
Commissioner Kellee Hubbard
President & CEO Richard C. Gentry

10 CALL TO ORDER

Chair Benvenuto called the Special Meeting to order at 9:02 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

Chief Executive Officer (CEO) Recovery from Surgery

Deputy CEO Jeff Davis shared that President & CEO Richard C. Gentry is recovering from shoulder surgery and appreciates the well-wishes he has received.

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U.S. Senate Committee on Veterans' Affairs – Roundtable Discussion

On April 21, 2021, President & CEO Gentry participated in a roundtable discussion by video conference with members of the U.S. Senate Committee on Veterans' Affairs. The discussion focused on solutions to homelessness among military veterans. Mr. Gentry discussed the changes implemented in the City of San Diego to maximize the utilization of Veterans Affairs Supportive Housing (VASH) vouchers for veterans experiencing homelessness. In March 2021, 99 percent of the Housing Commission's VASH vouchers were either leased up at a rental housing unit; issued to a household that was searching for a home; or committed to provide rental assistance at a specific housing unit as a Project-Based Housing Voucher. That is up from 89 percent in December 2019. Mr. Gentry also spoke about Operation Shelter to Home and the help it provided to veterans experiencing homelessness during the COVID-19 pandemic. Past San Diego accomplishments also were discussed, such as the Housing Our Heroes initiative, which within 18 months in 2016 and 2017 helped secure homes for 1,000 veterans experiencing homelessness.

Policy Updates

The Housing Commission participates in several activities—such as the Veterans' Affairs Committee roundtable—to track and affect policy decisions at the federal and state level. As the Housing Commission works to enhance and strengthen its policy efforts in the State capital, the agency recently began working with Strategies 360, a public affairs, communications and research firm. They complement the great work of the Housing Commission's internal Policy team, led by Molly Chase, to advance policies consistent with the Housing Commission's mission and to monitor legislative and regulatory changes that may affect the people the Housing Commission serves. The Housing Commission recently connected with state lawmakers about changes necessary to maximize the help the agency can provide through the COVID-19 Housing Stability Assistance Program. President & CEO Gentry sent letters to Governor Gavin Newsom and the State Senators and Assemblymembers who represent San Diego to advocate for these changes. The Housing Commission's Policy team also is monitoring several state and federal legislative efforts that may provide additional funding for housing and homelessness programs. Beginning with the Board's June 11, 2021, meeting, the Housing Commission will be providing updates at each meeting about the agency's policy efforts and potential funding opportunities.

COVID-19 Housing Stability Assistance Program Update

As of 5 p.m. May 4, 2021, the COVID-19 Housing Stability Assistance Program (HSAP) has received more than 10,500 applications. More than 95 percent of these applicants reported income at or below 50 percent of San Diego's Area Median Income. The Housing Commission estimates that out of the current applicants, approximately \$37.5 million will be provided in help with rent and utilities for qualifying households.

Before the program launched, approximately 100 short-term staff were hired by the Housing Commission to review and process applications. By relying on short-term staff to process applications, the Housing Commission has redirected a number of long-term staff to perform robust quality assurance audits on applications to ensure the payments are going to the right people in the right amounts.



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The Housing Commission started issuing payments in late April. To date, \$1.5 million in payments have been disbursed for more than 230 qualifying households, and 3,156 applications have been processed. Of the process applications, 2,740 are approved to receive assistance; 250 are ineligible for the program; and 166 are pending action because of a change in their priority category. Of the applications approved for assistance, about 2,000 are currently undergoing the quality assurance audit and about 500 are pending the completion of the landlord's registration. An additional 1,128 applications have been reviewed, for which the applicant still must submit missing documents before a final determination is made. The programs the County of San Diego and City of Chula Vista operate have experienced challenges similar to those the Housing Commission experiences in terms of obligating and expending funds by the current state deadlines.

The Housing Commission is continuing outreach to increase awareness of HSAP among low-income households. For example, on April 16, Housing Commission staff participated in outreach in communities in Council Districts 4, 8 and 9. Deputy CEO Davis and approximately 20 Housing Commission staff joined Councilmembers Monica Montgomery-Steppe and Sean Elo-Rivera and their staffs and additional partners delivering thousands of informational flyers to locations residents frequently visit—such as laundromats, grocery stores, barber shops and libraries.

Councilmember Moreno's staff also distributed flyers in District 8 throughout the week leading up to April 16. In addition, the San Diego & Imperial Counties Labor Council, AFL-CIO distributed 3,000 flyers at a food distribution event it held on April 24. The community-based organizations the Housing Commission contracts with on this program have begun calling people who started applications but did not finish them. That is 8,756 pending applications as of May 4. These organizations are directly offering to help these individuals complete their applications.

In addition, 211 is following up with people from Council Districts 4 and 8 who have called related to a COVID impact in the last year to make sure they know about this program. The Housing Commission is working with Mid-City Community Advocacy Network (CAN) to conduct door-to-door outreach and make direct phone calls to continue to raise awareness about the program. Along with these outreach efforts, the Housing Commission continues to process applications and disburse payments as quickly as possible to help families in need.

Commissioner Hester shared that the San Diego & Imperial Counties Labor Council is having a parking lot sign-up for the utilities relief on May 28, 2021, at the Fairmount parking lot in City Heights.

50 APPROVAL OF THE MINUTES

The minutes of the Special Housing Commission meeting of April 2, 2021, were approved on a motion by Commissioner Davis, seconded by Vice Chair Clumpner, and passed by a vote of 5-0.

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ACTION AGENDA:

**100 HCR21-039 Homeless Housing, Assistance, and Prevention Program (HHAP)
Funded Rapid Rehousing Programs**

Lisa Jones, Executive Vice President, Strategic Initiatives, and Jessica Adamo, Housing Programs Manager, Homeless Housing Innovations Division, presented the request for approval.

Motion by Commissioner Davis to take the following staff-recommended actions. Seconded by Commissioner Mitchell and passed by a vote of 5-0.

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

- 1) Authorize the Housing Commission to enter into a one-year contract, using a Non-Competitive agreement under Procurement Policy 9.4, with People Assisting the Homeless (PATH) in the amount of \$655,604 to operate a Rapid Rehousing program for the term of July 1, 2021, to June 30, 2022, funded by Homeless Housing, Assistance, and Prevention Program (HHAP) and American Rescue Plan Act (ARPA) funds, contingent on funding being allocated for this purpose in the City of San Diego's Fiscal year 2022 budgeting process;
- 2) Authorize the Housing Commission to enter into a one-year contract, using a Non-Competitive agreement under Procurement Policy 9.4, with Home Start Inc. (Home Start) in the amount of \$683,638 to operate a Rapid Rehousing program for the term of July 1, 2021, to June 30, 2022, funded by HHAP and ARPA funds, contingent on funding being allocated for this purpose in the City of San Diego's Fiscal year 2022 budgeting process;
- 3) Authorize the Housing Commission to enter into a one-year contract, using a Non-Competitive agreement under Procurement Policy 9.4, with The Salvation Army in the amount of \$630,643 to operate a Rapid Rehousing program for the term of July 1, 2021, to June 30, 2022, funded by HHAP and ARPA funds, contingent on funding being allocated for this purpose in the City of San Diego's Fiscal year 2022 budgeting process;
- 4) Authorize the President & CEO, or designee, to execute all necessary documents and instruments that are necessary and/or appropriate to implement these approvals, on terms and conditions approved by the President & CEO, or designee, upon the advice of and in a form approved by General Counsel, and to take such actions necessary and/or appropriate to implement these approvals in accordance and compliance with all applicable laws, rules and regulations;
- 5) Authorize the President & CEO to increase the amount of funding per operator agreement by no more than 20 percent of the approved budget and to substitute funding

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sources for each of the proposed agreements, if necessary, without further action by the Housing Commission Board, but only if and to the extent that funds are determined to be available for such purposes. The execution of the contracts will be contingent on the renewal of a Memorandum of Understanding (MOU) between the Housing Commission and the City of San Diego for Administration of HHAP funds or renewal of the General Shelter and Services MOU for use of other funds as deemed appropriate by the City of San Diego and approved through the City of San Diego's Fiscal Year 2022 budget process.

101 HCR21-047 Approval of Contract Renewal between San Diego Housing Commission (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 I, at 116 South 20th Street, San Diego, California 92113 and Approval of the Contract Renewal to operate the City of San Diego's Transitional Storage Center, currently known as the Storage Connect Center II, at Lea Street Terminus, San Diego, California 92105

This item was postponed to the June 11, 2021, Housing Commission Board of Commissioners meeting.

102 HCR21-054 Loan Recommendation for Nestor Senior Village

Jennifer Kreutter, Director, Multifamily Housing Finance, Real Estate Division, presented the request for approval.

Motion by Vice Chair Clumpner to take the following staff-recommended actions. Seconded by Commissioner Mitchell and passed by a vote of 5-0.

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 \$3,330,000, to NCRC NSV a California limited partnership, to finance the new construction of Nestor Senior Village, to be located at 1120 Nestor Way, San Diego, which will consist of 73 affordable rental housing units for seniors age 55 and older experiencing homelessness with income up to 30 percent of San Diego's Area Median Income (AMI), of which 35 units will be for seniors experiencing homelessness with serious mental illness, and one manager's unit. Twenty-five units out of the 35 reserved for seniors experiencing homelessness with serious mental illness are restricted to seniors with income up to 25 percent of AMI. The 73 restricted units will remain affordable for 55 years.

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The Housing Commission's proposed \$3,330,000 total loan will be contingent upon the developer receiving all necessary third-party funding commitments, as described in this report. Such third-party funding commitments would be subject to the Housing Commission's General Counsel's approval.

- 2) Authorize the President and Chief Executive Officer (President & CEO) of the Housing Commission, or designee:
 - a. To execute any and all documents necessary to effectuate the transaction and implement the project in a form approved by the General Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement the approvals upon advice of the General Counsel;
 - b. To adjust financing terms and conditions as necessary for consistency with requirements of other funding sources or to accommodate market changes that may occur, provided that the proposed \$3,330,000 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 the General Counsel.

103 HCR21-049 Preliminary Bond Authorization and Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing for Southwest Village Apartments

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 Vice Chair Clumpner and passed by a vote of 5-0.

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

- 1) Approve the following preliminary steps to issue Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds to facilitate the development of Southwest Village Apartments at 323-337 Willie James Jones Avenue in the Chollas Creek Village Neighborhood, which will consist of 80 units affordable for 55 years for individuals and families earning 30 percent to 60 percent of the San Diego Area Median Income (AMI) and one unrestricted manager's unit:
 - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$25,000,000 in tax-exempt Multifamily Housing Revenue Bonds and \$15,500,000 in taxable bonds supporting the development of Southwest Village Apartments by a

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- limited partnership formed by the Related Companies of California and the Jacobs Center for Neighborhood Innovation;
 - 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 \$25,000,000 for Southwest Village Apartments; and
 - c. Approve the financing team of Orrick as Bond Counsel and Ross Financial as Financial Advisor;
- 2) Authorize the Housing Commission's 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.
 - 3) Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing to approve the issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$25,000,000 to facilitate the development of Southwest Village Apartments.

104 HCR21-050 Ventana al Sur Apartments Modification of Preliminary Bond Authorization and Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing

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 Vice Chair Clumpner and passed by a vote of 5-0.

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

- 1) Take the initial steps to issue Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds to facilitate the acquisition and new construction of Ventana al Sur Apartments (Ventana) at 4132 Beyer Boulevard, San Diego, 92173, in the San Ysidro neighborhood, which will consist of 100 rental housing units that will remain affordable for 55 years, including 75 units for low-income seniors and 25 units for seniors age 65 and older experiencing chronic homelessness in the City of San Diego with a serious mental illness, who meet certain income criteria, and who are identified as most appropriate for permanent supportive housing as determined by assessments conducted through the Coordinated Entry System, and one unrestricted manager's unit.

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- a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$35,000,000 in tax-exempt Multifamily Housing Revenue Bonds supporting the development of Ventana by 4132 Beyer L.P.;
 - 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 \$35,000,000 for Ventana; and
 - c. Approve the financing team of Quint & Thimmig LLP as Bond Counsel and Ross Financial as Bond Financial Advisor;
- 2) Authorize the 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 Bond Counsel.

The Housing Commission's February 7, 2020, approved loan terms require the Ventana loan to close by August 7, 2021 (within 18 months from the February 7, 2020, Housing Commission loan approval date). Housing Commission staff recommend not extending the loan terms at this time. Should the project receive an award of bonds and tax credits, as well as reduce project costs, staff will recommend appropriate action to the President and CEO, who is authorized via the approved Term Sheet, to adjust the term to December 31, 2021.

- 3) Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$35,000,000 to facilitate the development of Ventana.

105 HCR21-034 San Diego Housing Commission Proposed Fiscal Year 2022 Budget

Jeff Davis, Deputy Chief Executive Officer; Suket Dayal, Executive Vice President, Business Administration; and Tracey McDermott, Senior Vice President & Chief Financial Officer, 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 5-0.

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 the Housing Commission's proposed \$585 million Fiscal Year (FY) 2022 Budget (Attachment 1).



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- 2) Delegate authority to the Housing Commission to approve amendments to the FY 2022 Budget for the following amounts, consistent with prior delegation of authority from the Housing Authority:
 - a. Line item transfers not to exceed \$500,000 of budget authority that do not impact the overall size of the Housing Authority approved FY 2022 Budget;
 - b. Additional funding for the FY 2022 Budget resulting from applications submitted with the approval of the Housing Authority (per Housing Authority Resolution 1569); and
 - c. Additions from other sources, not to exceed \$500,000 on an individual basis, to the FY 2022 Budget.
- 3) Delegate authority to the Housing Commission's President & Chief Executive Officer (President & CEO) to amend the FY 2022 Budget for amounts not to exceed \$250,000 consistent with policies, programs and activities approved by the Housing Commission and Housing Authority.

106 HCR21-057 Workshop & Discussion: City of San Diego Affordable Housing Fund

Suket Dayal, Executive Vice President, Business Administration; Emily S. Jacobs, Executive Vice President, Real Estate; and Tracey McDermott, Senior Vice President & Chief Financial Officer, presented an informational workshop about the City of San Diego Affordable Housing Fund, which the San Diego Housing Commission administers.

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.
 There were no public comments.
- III. Commissioner comments, if any.
 There were no Commissioner comments.
- IV. Commission will convene in closed session to consider the following agenda:
 - A. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION pursuant to Government Code Section 54956.9(b):

One (1) matter.



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Commissioners met in Closed Session to consider the Closed Session Agenda.

V. Announcement of Actions Taken in Closed Session.

By a vote of 5-0, the Board gave direction to Counsel concerning the anticipated litigation.

Closed session items were introduced in open session at 10:55 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. No public comments were made.

ADJOURNMENT

Chair Benvenuto adjourned the Special Meeting at 11:35 a.m.

Respectfully submitted,

Scott Marshall

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

Approved by,

Jeff Davis

Jeff Davis
Deputy Chief Executive Officer
San Diego Housing Commission