



SAN DIEGO
HOUSING
COMMISSION

MINUTES

SAN DIEGO HOUSING COMMISSION
MINUTES OF THE SPECIAL MEETING
JUNE 25, 2015
SMART CORNER
4th FLOOR CONFERENCE ROOM
1122 BROADWAY
SAN DIEGO, CALIFORNIA 92101

ATTENDANCE

Present:

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

Absent:

Commissioner Ben Moraga

10 CALL TO ORDER

Chair Gramling called the Special Meeting to order at 9:01 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

Mesa Commons Grand Opening:

Commissioner Hubbard participated in the ribbon-cutting ceremony for the grand opening of Mesa Commons in the College Area on May 20. Mesa Commons is a 77-unit affordable housing apartment partnership development of the San Diego Housing Commission (SDHC) and Palm



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Communities. Apartments are affordable to households with incomes ranging from 30 to 60 percent of San Diego Area Median Income – \$24,300 to \$48,600 a year for a family of four.

SDHC – Mandatory Water Conservation:

SDHC has reached out to more than 22,600 of its constituents to urge them to comply with the new state law that requires the City of San Diego to reduce water use by 16 percent. In addition, as a major step, SDHC is “Going Gold” by halting irrigation of lawns at approximately 100 SDHC affordable housing rental properties. SDHC is required to reduce water usage by 16 percent. This went into effect June 1, 2015, to comply with limits the State Water Resources Control Board set for the City of San Diego.

Project 25:

On June 2, 2015, United Way of San Diego County released a report confirming the success of Project 25, which uses the Housing First model to provide housing for chronically homeless individuals. SDHC awarded 25 federal Sponsor-Based Housing Vouchers for Project 25, which launched on January 12, 2011. Sponsor-Based Housing Vouchers are awarded to nonprofit organizations that provide supportive services to homeless San Diegans. According to the report, which was prepared by the Fermanian Business and Economic Institute at Point Loma Nazarene University, the net savings in the San Diego region for the full calendar years of 2012 and 2013 totaled \$3.5 million, a 67 percent reduction in public spending.

California Housing Consortium Housing Hall of Fame:

President & CEO Gentry received the California Housing Consortium 2015 "Housing Hall of Fame" award for the Public Sector on May 13. The California Housing Consortium is an advocate for the production and preservation of affordable housing for low- and moderate-income Californians. The award recognizes contributions toward advancing the cause of affordable housing.

Council of Large Public Housing Authorities (CLPHA) Summer Meeting:

CLPHA members toured 22 affordable housing developments in Downtown San Diego. These are properties for which SDHC served as a funding partner or monitors for affordable housing compliance. City Councilmember Todd Gloria was a guest speaker at the CLPHA Summer Meeting in San Diego.

50 APPROVAL OF THE MINUTES

The minutes of the regular Housing Commission meeting of May 8, 2015, were approved on a motion by Commissioner Surdi, seconded by Commissioners Hubbard and Davis, and passed by a vote of 5-0, with Commissioner Urtasun abstaining.

CONSENT AGENDA:

Motion by Chair Gramling to approve the item listed below on consent. Seconded by Commissioner Surdi and passed by a vote of 5-0, with Commissioner Davis abstaining:



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100 HCR15-052 Award of Contract for Parking Operator Services at Smart Corner San Diego Housing Commission Office, 1122 Broadway, San Diego

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

- 1) Approve the award of a one year contract to ACE Parking in an amount not to exceed \$138,938 to provide parking operator services at the Housing Commission's corporate office building at 1122 Broadway, San Diego, 92101. The contract shall include four (4) one-year options to renew based on the needs of the Housing Commission.
- 2) Authorize the President & Chief Executive Officer (President & CEO), or designee, to expend up to \$13,893 in contingency, if necessary, for services not anticipated in the original scope of services.
- 3) Authorize the President & CEO, or designee, to substitute the identified contract funding sources with other available funding sources so 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.
- 4) 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 to take such actions as are necessary and/or appropriate to implement these approvals.

Motion by Chair Gramling to approve the items listed below on consent. Seconded by Commissioner Surdi and passed by a vote of 6-0:

101 HCR15-053 Amendment to Job Order Contracting (JOC) Agreement No. JOC-15-01

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 for Job Order Contracting (JOC) Agreement No. JOC-15-01 with Vincor Construction, Inc. (Attachment 2) from \$100,000 annually up to a maximum not-to-exceed amount of \$500,000 annually, pursuant to City Council Resolution R-305431; and
- 2) Authorize the President & Chief Executive Officer, or designee, to execute all documents and instruments necessary and/or appropriate to implement these approvals, as approved by the General Counsel of the Housing Commission, and to take such actions as are necessary and/or appropriate to implement this requested approval.



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103 HCR15-059 Fiscal Year 2016 Procurement of Commercial General Liability Insurance Coverage

That the San Diego Housing Commission (Housing Commission) authorize the President & Chief Executive Officer to purchase Commercial General Liability, Pesticide Liability, Sexual Abuse Liability, Terrorism Liability, and Mold/Fungi/Bacteria Liability Insurance coverage (Commercial Liability and related Liability coverages) for the Housing Commission from Housing Authority Risk Retention Group in an amount not to exceed \$183,090, with effective dates of July 1, 2015, to June 30, 2016.

104 HCR15-043 Final Bonds/Note Authorization for Mayberry Townhomes

That the San Diego Housing Commission (Housing Commission) recommend the Housing Authority of the City of San Diego (Housing Authority) authorize the issuance of up to \$9,959,732 in tax-exempt multifamily housing revenue bonds/note to fund the acquisition, rehabilitation, and preservation of Mayberry Townhomes (Mayberry).

105 HCR15-054 Amendment to the Contract for Property Management Services for Village North Senior Garden Apartments

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

- 1) Approve an amendment to the contract between the Housing Commission and San Diego Sunrise Management Company to increase the contract option for the period July 1, 2015, through July 31, 2015, by \$35,000 to a not-to-exceed amount of \$130,000.
- 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 make such actions as are necessary and/or appropriate to implement these approvals.

ACTION AGENDA:

102 HCR15-045 Fiscal Year 2016 Section 8 Administrative Plan

Azucena Valladolid, Vice President Rental Assistance Division, and Maria Christopher, Senior Program Analyst, Rental Assistance Division, presented the request for approval.

Regarding proposed change No. 4, Commissioner Urtasun requested that thresholds be added for clarification when this item is brought back to the Board.



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Vice Chair Spoon requested that landlords should be provided with an appeal process that includes an external review of Rental Assistance Division actions.

Motion by Commissioner Urtasun to take the following staff-recommended action as amended by the Board: Remove proposed change No. 4: “A new policy allowing the Housing Commission greater flexibility to conduct special inspections in order to increase quality control. The new policy will permit the Housing Commission to conduct special inspections on a landlord’s Section 8 inventory based on information from third parties, such as neighbors of an assisted unit or public officials, and revert landlords back to annual inspection cycle based on inspection results.” Seconded by Commissioner Davis and passed by a vote of 6-0:

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

- 1) Approve the Fiscal Year (FY) 2016 Section 8 Administrative Plan (Attachment 1) and the implementation of new policy therein; 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.

106 HCR15-057 Loan Recommendation for Talmadge Gateway

Ann Kern, Vice President Real Estate Finance and Program Development, Real Estate Division, and Ted Miyahara, Director of Housing Finance, Real Estate Division, presented the request for approval.

Motion by Commissioner Urtasun to take the following staff-recommended action. Seconded by Commissioner Spoon and passed by a vote of 6-0:

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

- 1) Recommend the Housing Authority of the City of San Diego (Housing Authority) approve a residual receipts loan in an amount not to exceed \$4,800,000 to a to-be-formed Limited Partnership consisting of Wakeland Housing and Development Corporation (Wakeland) and City Heights Community Development Corporation (CHCDC) as Co-Managing General Partners, and a tax credit investor to finance the acquisition and development of property at 4746-4748 El Cajon Boulevard, San Diego, 92115. The Housing Commission’s proposed loan will be contingent upon the developer receiving all necessary third-party funding commitments, including 9 percent tax credits.



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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, not to exceed the maximum Housing Commission loan amount of \$4,800,000; 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 HCR15-056 Disposition of Hotel Metro

Ann Kern, Vice President Real Estate Finance and Program Development, Real Estate Division, and Ted Miyahara, Director of Housing Finance, Real Estate Division, presented the request for approval.

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

Recommend that the Housing Authority of the City of San Diego (Housing Authority) take the actions listed below under Housing Authority Actions, and that the San Diego City Council (City Council) take the action listed below under City Council Action:

HOUSING AUTHORITY ACTIONS:

- 1) Approve the sale of Hotel Metro upon terms and conditions as approved by the San Diego Housing Commission (Housing Commission) President & Chief Executive Officer (President & CEO), or designee, as approved by the Housing Commission Board (Board), in accordance with the terms and conditions of the Disposition Policy, referenced within Item 1.c. below, and delegate authority to the President & CEO to:
 - a. Enter into a Purchase and Sale Agreement upon terms and conditions referenced within the Disposition Policy referenced below in item 1.c. below;



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- b. Upon the buyer's satisfactory completion and evaluation of the property during the due diligence period, take such actions and perform such acts as are necessary to sell the property and improvements;
 - c. Approve a Disposition Policy specific to the Hotel Metro, similar to the general Housing Commission Disposition Policy that was previously approved by the Housing Authority for single family residences, as referenced within Attachment 1, allowing the sale of the Hotel Metro, upon approval of the same by the Board, subject to the right of any member of the Housing Authority to seek to review the approval within seven (7) days of the date of such approval by the Board, all as set forth within Attachment 2, which approval is being given pursuant to the provisions of San Diego Municipal Code Section 98.0301(c)(7);
 - 2) Approve Housing Commission payoff of the first trust deed from the City of San Diego (City) in an amount not to exceed \$600,000, concurrently with the close of escrow for the sale of the Hotel Metro;
 - 3) Approve an amendment to the existing contract between the Housing Commission and CBRE Group, Inc. (CBRE) to increase the contract amount during the period of April 1, 2015, through March 31, 2016, by \$200,000 to an annual amount not to exceed \$300,000 and to authorize the President & CEO to amend the agreement to include listing terms and conditions, as approved by the General Counsel of the Housing Commission:
 - a. Authorize the Housing Commission to pay the buyer's broker commission, upon the successful closing of the sale of the Hotel Metro properties;
 - 4) Terminate the ground lease with San Diego SRO Limited Partnership upon transfer of the affordability restrictions from the Hotel Metro to Alpha Square upon project completion and occupancy in exchange for cancellation of the existing indebtedness owed by San Diego SRO Limited Partnership to the Housing Commission, as referenced within documentation to be drafted by General Counsel; and
 - 5) 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 take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of General Counsel.

CITY COUNCIL ACTION:

- 1) Approve the delegation of authority to the Housing Commission to provide final approval of the sale of the Hotel Metro, without additional Housing Authority action, unless any member of the Housing Authority requests to review the approval by the Housing Commission, within seven (7) days of the date of the approval of the same by the Housing



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Commission, which delegation is being made by the City pursuant to the applicable provisions of San Diego Municipal Code Section 98.0301(d)(8), and in accordance with the terms and provisions of Attachment 2.

108 HCR15-040 Workshop & Discussion: Affordable Housing Development Strategies and San Diego Housing Commission Mandatory Water Conservation

Jennifer McKinney, Vice President Real Estate Operations, provided information about the Housing Commission’s Mandatory Water Conservation plan to reduce water use by 16 percent, such as:

- The Housing Commission has reached out to more than 22,600 of its constituents to urge them to comply with new state law that requires the City of San Diego to reduce water use by 16 percent as a result of California’s ongoing drought.
- The Housing Commission is “Going Gold” and has eliminated irrigation of lawns at approximately 100 Housing Commission affordable rental housing properties.

Richard C. Gentry, President & Chief Executive Officer, and Debbie Ruane, Senior Vice President Real Estate Division, presented a workshop to discuss the barriers and strategies to address the costs of developing affordable housing in the City of San Diego.

No action was taken on this item.

ADJOURNMENT:

Chair Gramling adjourned the Regular Meeting at 10:36 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