



SAN DIEGO  
HOUSING  
COMMISSION

## MINUTES

SAN DIEGO HOUSING COMMISSION  
MINUTES OF THE SPECIAL MEETING  
JULY 23, 2015  
SMART CORNER  
4<sup>th</sup> 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 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 9:04 a.m.

### **20**     NON-AGENDA PUBLIC COMMENT

Jim Varnadore spoke about commercial space at an SDHC-owned property at 4395 El Cajon Boulevard.

Commissioner Urtasun requested that staff provide an update to the Board on the leasing of this property at the next Board meeting.

### **30**     COMMISSIONER COMMENTS

Chair Gramling requested staff to report back to the Board about SDHC's efforts to make sure bathroom fixtures at SDHC-owned rental housing units are operating efficiently to prevent excessive water use during the current statewide drought.



Special Meeting Minutes of July 23, 2015

#### **40 REPORT BY PRESIDENT & CHIEF EXECUTIVE OFFICER**

##### **Chairman Gramling Recognition by Meals-on-Wheels:**

Chairman Gramling was recognized by Meals-on-Wheels San Diego on July 18 as its Outstanding Individual of the Year. This is the highest award presented by Meals-on-Wheels, an organization that serves senior citizens. Chairman Gramling has been a volunteer with Meals-on-Wheels since 1977, including twice serving as the chairman of its Board of Trustees.

##### **San Diego Square Renovation:**

The renovation and repairs are currently underway and progressing on San Diego Square Apartments in Downtown San Diego. The San Diego Housing Commission (SDHC) is working through its nonprofit affiliate, Housing Development Partners (HDP), in partnership with Local Initiatives Support Corporation to renovate and preserve 154 affordable apartments for seniors and two managers' units at San Diego Square.

##### **Iconic Sign Removed from Hotel Churchill:**

On June 30, the nearly 2,000-pound, 1940s era sign atop Hotel Churchill was removed to be refurbished. After it is restored, the sign will be returned to Hotel Churchill's roof next year as a symbol of the brighter future that will be provided at Hotel Churchill for homeless San Diegans. SDHC, working through HDP, is rehabilitating Hotel Churchill to create 72 affordable studios for homeless individuals, mainly veterans.

##### **Hotel Churchill – Response to Voice of San Diego Article:**

Chairman Gary Gramling submitted a commentary to the Voice of San Diego (Voice) on July 17 in response to their article about the Hotel Churchill. The Voice published this commentary on Monday, July 20, with the headline, "Housing Commission's Hotel Churchill Project Is on Solid Ground."

##### **Trolley Residential Apartments Groundbreaking:**

On July 15, City Councilmember Myrtle Cole and President & CEO Gentry participated in the groundbreaking of Trolley Residential Apartments, an SDHC partnership development. Trolley Residential Apartments is a new construction development of 51 affordable apartments and one manager's unit in the Chollas View neighborhood in the southeastern part of the City of San Diego. Apartments will remain affordable for 55 years. These transit-oriented apartments are located next to the San Diego Trolley Euclid Avenue station and will provide opportunities for residents to live, work and play in their neighborhood.

##### **City of San Diego's Year-Round Interim Housing Program Opens:**

The City of San Diego's new year-round interim housing program at a permanent facility for homeless San Diegans is fully operational. This program replaces the City's emergency winter shelter tent program, which the City had provided during the winter months for nearly 30 years.



## Special Meeting Minutes of July 23, 2015

This interim housing program provides temporary housing for 350 adult men and women. The interim housing program is operated by St. Vincent de Paul Village, Inc. at the Paul Mirabile Center at its Downtown San Diego campus. The San Diego Housing Commission administers the program as part of the City of San Diego's Homeless Shelters and Services Programs.

### **San Diego Housing Commission Financial Reports Recognized for Excellence:**

SDHC's Financial Services Department has received two awards for its financial reports. First, on June 29, SDHC learned they earned the Certificate of Achievement for Excellence in Financial Reporting. This is the highest recognition awarded by the Government Finance Officers Association of the United States and Canada. SDHC also was notified that on July 20, the Financial Services Department received the Award for Outstanding Achievement in Popular Financial Reporting, a prestigious national award, from the Government Finance Officers Association.

### **50 APPROVAL OF THE MINUTES**

The minutes of the special Housing Commission meeting of June 25, 2015, were approved on a motion by Commissioner Surdi, seconded by Commissioner Urtasun, and passed by a vote of 6-0.

### **ACTION AGENDA:**

### **100 HCR15-060 Award of Contract for Property Management Services for Village North Senior Garden Apartments**

Jennifer McKinney, Vice President Real Estate Operations, Real Estate Division, presented the request for approval.

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

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

- 1) Approve the award of a one-year contract with two (2) one-year renewal options to San Diego Sunrise Management Company (Sunrise Management) in the amount of \$373,965.24 for property management services for Village North Senior Garden Apartments (Village North Senior).
- 2) Authorize the President & Chief Executive Officer (President & CEO), or designee, to substitute the funding sources with other available 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.



Special Meeting Minutes of July 23, 2015

- 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.

**101 HCR15-061 Torrey Vale - Preliminary Bonds/Note Items**

Ted Miyahara, Director of Housing Finance, Real Estate Division, and Joe Correia, Real Estate Manager, Real Estate Division, presented the request for approval.

Motion by Vice Chair Spoon 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) recommend the Housing Authority of the City of San Diego (Housing Authority) take the following actions, as described in this report:

- 1) Approve the following steps to issue Housing Authority tax-exempt multifamily housing mortgage revenue bonds/note for this project:
  - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$7,000,000 in a multifamily housing revenue bonds/note for the new construction of Torrey Vale (Torrey) by Chelsea Investment Corporation's (Chelsea) to-be-formed California limited partnership;
  - b. Authorize an application (and subsequent applications, if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue a tax-exempt private activity bonds/note in an amount up to \$7,000,000 for Torrey;
  - c. Approve a bond financing team of Quint & Thimmig LLP as bond counsel and Ross Financial as financial advisor;
  - d. Request that the San Diego City Council (City Council) hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of a multifamily housing revenue bonds/note in an amount up to \$7,000,000; and
- 2) Authorize the Housing Commission President & Chief Executive Officer, 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 to take such actions as are necessary, convenient, and/or appropriate to implement the approvals upon advice of General Counsel and/or the bond counsel.



Special Meeting Minutes of July 23, 2015

**102 HCR15-036 Workshop & Discussion: San Diego Housing Commission's Portfolio and Asset Management**

Jennifer McKinney, Vice President Real Estate Operations, and Emmanuel Arellano, Director of Portfolio Management, presented a workshop on the San Diego Housing Commission's (Housing Commission) Portfolio and Asset Management programs for Fiscal Year 2014 (July 1, 2013 – June 30, 2014) and Fiscal Year 2015 (July 1, 2014 – June 30, 2015).

The workshop provided an overview of the Housing Commission's Portfolio and Asset Management Department initiatives:

- Development of an Asset Management Policies & Procedures Manual
- Implementation of Asset Management Best Practices and Processes
- Green Physical Needs Assessment / Capital Plans
- Implementation of Business Intelligence Software (Tableau)

No action was taken on 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. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION pursuant to subdivision (c) of 54954.5 of the Government Code and significant exposure to litigation pursuant to subdivision (d) (2) of Section 54956.9:

Two (2) potential matters.

Counsel's Description of General Nature of Closed Session:

Counsel will discuss potential litigation arising out Contracts Nos. CS-15-09 and CS-15-12 with APR Construction, Inc. and its bonding companies.

By a vote of 6-0 instruction was given to Counsel concerning the initiation of litigation.

B. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION pursuant to subdivision (c) of 54954.5 of the Government Code and pursuant to subdivision (d)(1) of Section 54956.9:



SAN DIEGO  
HOUSING  
COMMISSION

Special Meeting Minutes of July 23, 2015

*Lawanda Tucker vs. San Diego Housing Commission, et al*, Superior Court of California, County of San Diego, Case No. 37-2015-00018608-CL-MC-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.

By a vote of 6-0 instruction was given to Counsel concerning the initiation of litigation.

**ADJOURNMENT:**

Chair Gramling adjourned the Special Meeting at 10:23 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