

# HOUSING COMMISSION AGENDA

SAN DIEGO HOUSING COMMISSION  
SPECIAL MEETING AGENDA  
SEPTEMBER 11, 2009, 9:00 A.M.  
SMART CORNER  
4<sup>TH</sup> FLOOR CONFERENCE ROOM  
1122 BROADWAY  
SAN DIEGO, CALIFORNIA

**Assistance for the Disabled:** Agendas, reports and records are available in alternative formats upon request. Please call the Housing Commission Docket Coordinator at least five days prior to the meeting at **578-7552 (voice) or 398-2440 (TTY)**.

**Questions Regarding Agenda Items:** For specific questions regarding any item on the Housing Commission agenda, please contact **Bridgit Alexander at 578-7552**. Internet access to agendas and reports is available at <http://sdhc.net/CommissionAgenMinRpts.shtml>.

## ITEMS

### 10 CALL TO ORDER

Commissioners Jennifer Adams-Brooks, Khadija Basir, Gary Gramling, Sam Guillen, Sal Salas, Allen Sims and Jim Waring

### 20 PUBLIC COMMENT

At this time individuals may address the Commission on any subject in its area of responsibility on any matter not presently pending before the Commission. Communications are limited to three minutes. Pursuant to the Brown Act, the Commission can take no action. Please fill out a **SPEAKER REQUEST FORM** and submit it to the secretary prior to the meeting.

### 30 COMMISSIONER COMMENTS

### 40 REPORT BY THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

#### ADOPTION AGENDA – CONSENT

Members of the public may cause an item to be pulled from the Consent Agenda by submitting a **Speaker Request Form** prior to the meeting. The item will then be discussed separately and public testimony taken.

**100    HCR09-082    Award of Contract for the Homeless Prevention and Rapid Re-Housing Program**

**Recommendation:** That the San Diego Housing Commission approves a new one-year contract with Townspeople, at an amount not to exceed \$221,000. The contract includes an option to extend the contract for two (2) additional one-year periods, based on performance, coincidental to the term of the program. The total three-year program term amount is not to exceed \$630,000.

**101    HCR09-087    Actions Establishing President & Chief Executive Officer Compensation for Period September 19, 2009 through September 19, 2010**

**Recommendations:**

The Performance Evaluation Ad Hoc Committee recommends that the CEO receive a bonus payment, totaling \$20,000, plus a salary increase of 5% of the CEO's current salary, bringing the salary to \$252,000.00.

In addition, the Performance Ad Hoc Committee recommends that a \$9,600 annual car allowance because no separate auto allowance is currently being paid to the CEO, a full 457 Plan funding for the CEO by the Commission, as was previously and historically provided to the prior CEO, health care benefits for the CEO and the CEO's spouse, at the Commission's expense, and full vesting in the Commission's Retirement Plan in one (1) year rather than in four (4) years for the CEO. In addition, all other benefits provide for in the Employment Agreement as well as those normally provided to Executive/Management staff by the Housing Commission shall continue to be provided to the CEO.

**102    HCR09-088    Authorization to Amend the FY2010 Budget (Council Districts 3, 4, and 7)**

**Recommendation:** Forward for Housing Authority approval a request to amend the Housing Commission FY2010 Budget (Attachment 1) incorporating \$2,484,000 in CDBG funds for rehabilitation of 83 affordable rental units at Euclid Court Apartments, National Avenue Apartments, San Diego Apartments, and Trojan Avenue Apartments.

**103    HCR09-085    Finance Plan for Acquisition of New Affordable Housing Units**

**Recommendations:**

- 1) Approve a financing plan that would utilize up to \$200 million of loan proceeds generated by placing debt on the San Diego Housing Commission's real estate portfolio (formerly public housing) and new acquisitions, utilizing the following financing mechanisms:
  - a) Fannie Mae conventional mortgage,
  - b) FHA 221(d)(4) program (new construction and substantial rehabilitation) or FHA 223(f) program (minor rehabilitation), allowing the financing to qualify for an American Recovery and Reinvestment Act of 2009 stimulus program "Build America Bonds ('BABs')," which financing is only available to governmental entities for a limited period of time and provides a direct federal subsidy equal to 35% of the interest cost of such financing thereby reducing the cost of debt, as further detailed in this report.
- 2) Authorize the San Diego Housing Commission to refinance the affordable housing that is acquired, rehabilitated or constructed and that have been acquired as 100% cash acquisitions, thereby allowing the San Diego Housing Commission to place mortgages on these new affordable units to further leverage the cash purchases and utilize the BABs program on these further refinancings secured by such new units (an eligible use of the program) before the sunset of the program on December 31, 2010.
- 3) Approve the parameters for financing as referenced within the financing plan as coordinated by NorthMarq Realty Services, Inc. (SDHC's financial advisor) and analyzed by Keyser Marston Associates ("KMA") as referenced within this report.
- 4) Authorize the San Diego Housing Commission to form wholly owned Limited Liability Companies (LLCs) and/or 501 (c)(3) non profit corporations or similar "special purpose entities" as and when required by Fannie Mae and/or FHA as a condition of financing and as required for financing.
- 5) Authorize a three-year capital expenditure budget of up to \$200 million to include the financing proceeds for the purposes outlined in this report, with the resulting debt service and operating costs associated with the capital expenditure activity to be reflected in the San Diego Housing Commission's annual budget which is presented to the Housing Authority for approval.

- 6) Authorize the San Diego Housing Commission to reimburse all third parties either directly or through the selected underwriters associated with the financing of the acquisitions, including compensation for the finance team as referenced within this report.
- 7) As detailed in this report:
  - a) Confirm the retention of NorthMarq Realty Services, Inc. (“NorthMarq”) as a financial advisor and authorize payment of fees to NorthMarq upon the closing of financings as referenced within the report;
  - b) Authorize the retention of PNC and Greystone as underwriters and/or lenders and authorize payment of compensation to such entities upon the closing of the financings;
  - c) Authorize retention of Orrick Herrington & Sutcliffe as attorneys to be involved in the issuance of bonds and/or financing on behalf of the Housing Commission; and,
  - d) Authorize retention of Wade Norris of Eichner & Norris as a financing attorney to be involved in the FHA and BABs financings.
- 8) Authorize the President and CEO, or designee, of the San Diego Housing Commission to execute any and all documents and to perform any and all acts reasonably necessary to implement the financing plan, provided, however, that each acquisition project shall be approved by the Board of Commissioners of the San Diego Housing Commission under the terms of the Acquisition Policy previously approved by the Housing Authority of the City of San Diego.

### **CLOSED SESSION**

It is anticipated that the San Diego Housing Commission will convene in closed session on Friday, September 11, 2009, at 9:00 a.m. with 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 public comments, if any.
- IV. Commission will convene in closed session to consider the following agenda:
  - a. Conference with Real Property Negotiators-Negotiation with Real Property Negotiator pursuant to subdivision (b) of 54954.5 Government Code and Section 54956.8:

*Property: Chollas Creek, 49<sup>th</sup> Street and Charles Lewis Way, San Diego, California, Parcel Nos.547-330-64 and 547-330-65*

Agency Negotiator: Rick Gentry, Carrol Vaughan and Larry Clemens San Diego Housing Commission

Negotiating Parties: Chollas Creek 31, LLC a California limited liability company and the San Diego Housing Commission

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

- b. Conference with Legal Counsel-Anticipated Litigation pursuant to subdivision (c) of 54954.5 Government Code and subdivision (c) of Section 54956.9:

*Number of cases: One (1) or more*

Counsel's Description of General Nature of Closed Session:

The Commission will discuss whether to initiate litigation based on existing facts and circumstances.

V. Announcement of Actions Taken in Closed Session.

VI. Adjournment

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### INFORMATIONAL REPORTS

HCR09-070 4<sup>th</sup> Quarter FY09 Investment Report

HCR09-073 Semi-Annual FY09 (Second Half) Equal Opportunity and Small Contracts Status Report

HCR09-089 Annual FY09 Mobile Home Community Issues Committee Annual Report