



SAN DIEGO  
HOUSING  
COMMISSION

## AGENDA

SAN DIEGO HOUSING COMMISSION  
REGULAR MEETING AGENDA  
JUNE 14, 2019, 9:00 A.M.  
SMART CORNER  
4<sup>TH</sup> FLOOR CONFERENCE ROOM  
1122 BROADWAY  
SAN DIEGO, CALIFORNIA 92101

Chair Stefanie Benvenuto  
Vice Chair Ryan Clumpner  
Commissioner Margaret Davis  
Commissioner Johanna Hester  
Commissioner Kellee Hubbard  
Commissioner Frank Urtasun  
Commissioner Tim Walsh

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### ITEMS

#### 10 CALL TO ORDER

#### 20 NON-AGENDA PUBLIC COMMENT

At this time, individuals may address the San Diego Housing Commission (Housing Commission) on any subject in its area of responsibility that is not presently pending before the Housing Commission. Communications are limited to three minutes. Pursuant to the Brown Act, the Housing 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 & CHIEF EXECUTIVE OFFICER



Regular Housing Commission Meeting of June 14, 2019

## 50 **APPROVAL OF THE MINUTES**

May 3, 2019, Regular Meeting

### **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 will be taken.

*All of the actions of the Housing Commission Board listed in the agenda are final seven days after Housing Commission Board action unless the Housing Authority of the City of San Diego asks to review the decision of the Housing Commission Board within the seven day period.*

## 100 **HCR19-061   [Application for Mortgage Credit Certificate Allocation](#)**

### ***Requires Housing Authority approval***

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 submission of an application and payment of required application fee to the California Debt Limit Allocation Committee (CDLAC) for a Mortgage Credit Certificate (MCC) Program allocation of up to \$25 million in Fiscal Year 2020;
- 2) If the Housing Commission receives less than a \$25 million allocation, authorize staff to submit additional MCC applications to CDLAC in Fiscal Year 2020 up to the approved \$25 million in total allocation;
- 3) Authorize the President and Chief Executive Officer (President & CEO), or designee, to:
  - a. Execute any and all documents necessary 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; and
  - b. 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.



Regular Housing Commission Meeting of June 14, 2019

**101     [HCR19-069    Award of Contract for Legal Services](#)**

***Seven-day advance notice of San Diego Housing Commission hearing of the following matter is being provided to the Housing Authority Members pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(4)(9)(b).***

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

- 1) Approve the award of a two-year contract, with three one-year renewal options, to Christensen & Spath LLP, for the provision of legal services to the Housing Commission for an annual cost not to exceed \$1,200,000;
- 2) Authorize the President & Chief Executive Officer (President & CEO), or designee, to execute the contract and all other necessary documents as required;
- 3) Authorize the President & CEO, or designee, to increase the contract base amount annually, if necessary, in accordance with the Housing Authority-approved delegation of authority level;
- 4) Authorize the President & CEO, or designee, to substitute the identified contract funding sources with other available funding sources 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; and
- 5) Authorize the President & CEO, or designee, to perform such other acts that are necessary and/or appropriate to implement these approvals.

**102     [HCR19-059    Fiscal Year 2020 Section 8 Administrative Plan](#)**

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

- 1) Approve the Fiscal Year (FY) 2020 Section 8 Administrative Plan (Attachment 1) and the implementation of new policy (Attachment 2) therein;
- 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.



Regular Housing Commission Meeting of June 14, 2019

**103     HCR19-067     Contract for the Fiscal Year 2020 Mental Health Systems Serial Inebriate Program**

***Seven-day advance notice of San Diego Housing Commission hearing of the following matter is being provided to the Housing Authority Members pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(4)(9)***

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

- 1) Authorize the execution of an initial one-year agreement, with two one-year options to renew, with Mental Health Systems (MHS) in the amount of \$266,911.28 from the City of San Diego (City) General Fund and \$151,500.00 from the City Affordable Housing Fund for a total of \$418,411.28 to provide transitional housing and services to serial inebriates;
- 2) Authorize the President & Chief Executive Officer (President & CEO), or designee, to execute all necessary 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 necessary and/or appropriate to implement these approvals; and
- 3) Authorize the President & CEO to substitute funding sources and/or increase compensation by not more than 20 percent of the total agreement amount for the proposed agreement, if necessary, without further action by the Board of Commissioners (Board) of the Housing Commission, but only if and to the extent that funds are determined to be available for such purposes.

**104     HCR19-065     Memorandum of Understanding Between the City of San Diego and the San Diego Housing Commission for the Provision of Homeless Shelters and Services**

***Requires Housing Authority approval***

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

- 1) Approve a Memorandum of Understanding (MOU) between the City of San Diego (City) and the San Diego Housing Commission (Housing Commission) for the Provision of Homeless Shelters and Services for an initial one-year term from July 1, 2019, through June 30, 2020, with four additional one-year options to extend; and
- 2) Authorize the Housing Commission's President & Chief Executive Officer, or designee, to execute the final negotiated MOU, in a form approved by General Counsel, and to take all actions necessary to implement these approvals.



Regular Housing Commission Meeting of June 14, 2019

105 [HCR19-070](#) [Loan Recommendation and Preliminary Bond Authorization for Ulric Street Apartments](#)

*Seven-day advance notice of San Diego Housing Commission hearing of the following matter is being provided to the Housing Authority Members pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(4)(a)(b) for Staff Recommendation No. 1. Staff Recommendation Nos. 3 -5 require Housing Authority or City Council approval.*

That the San Diego Housing Commission (Housing Commission) take the following actions and recommend that the Housing Authority of the City of San Diego (Housing Authority) and San Diego City Council (City Council) take the following actions, as described in this report:

**Housing Commission:**

- 1) Approve a Housing Commission residual receipts loan in an amount not to exceed \$7,000,000 to the borrower Ulric Street Housing Associates, L.P., a California limited partnership formed by Community Housing Works (CHW), to finance the proposed acquisition and new construction of Ulric Street Apartments (Ulric), which will consist of 95 units of rental housing that will remain affordable for 55 years for low- and very low-income families and one manager's unit, to be located at 2645-2685 Ulric Street, San Diego, California 92111.

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

The Ulric developer shall submit and/or supplement a relocation plan that complies with all applicable laws and regulations, which must be accompanied by a legal opinion, subject to the General Counsel's satisfaction, stating that the proposed plan complies with any and all applicable laws and regulations.

- 2) Authorize the Housing Commission's President and Chief Executive Officer (President & CEO), or his designee:
  - a. To execute any and all necessary documents and instruments 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/conditions, as necessary, for consistency with requirements of other funding sources or to accommodate market changes that may occur, provided that the proposed \$7,000,000 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



Regular Housing Commission Meeting of June 14, 2019

appropriate to implement this approval and delegation of authority by the Housing Commission upon advice of the General Counsel.

### **Housing Authority**

- 3) Approve the following steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds for Ulric:
  - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$32,750,000 in Multifamily Housing Revenue Bonds for the acquisition and new construction of Ulric by Ulric Street Housing Associates, 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 Multifamily Housing Bonds in an amount up to \$32,750,000 for Ulric. Issuance of the bonds will require Housing Authority approval at a later date; and
  - c. Approve a bond financing team of Quint and Thimmig as bond counsel, and CSG Advisors Financial as Bond Financial Advisor.
- 4) Authorize the Housing Commission President & CEO, or his designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by the General Counsel and the Bond Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of the General Counsel and/or the Bond Counsel.

### **City Council**

Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing, and adopt a resolution approving the Housing Authority's issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$32,750,000 for the acquisition and new construction of Ulric.

### **106    [HCR19-053](#)    [Loan Recommendation for Quality Inn](#)**

***Seven-day advance notice of San Diego Housing Commission's hearing of this matter is being provided to the Housing Authority Members pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(4)(A) and (B).***

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

- 1) Approve a Housing Commission loan of up to \$5,240,000 to HDP Quality Inn LLC, a California limited liability company, of which Housing Development Partners (HDP), the Housing Commission's nonprofit affiliate, is the managing member, to facilitate the proposed rehabilitation of Quality Inn, a 92-unit existing development, located at 1840 Fourth Avenue, San Diego 92101, which will include 91 units that will remain affordable for 55 years for transitional age youth, veterans, seniors, and adults with mental disabilities who are experiencing homelessness.



Regular Housing Commission Meeting of June 14, 2019

The Housing Commission's proposed loan will be part of the developer's third-party funding commitments, including a California Mental Health Services Act (MHSA) loan of \$2,704,500 and a bank loan of \$4,912,920 described in this report. Such third-party funding commitments will be subject to the Housing Commission's General Counsel's approval.

- 2) Authorize the Executive Vice President and Chief of Staff (Executive Vice President), or designee:
  - a. To adjust financing terms/conditions as necessary for consistency with requirements of other funding sources or to accommodate market changes that may occur, provided that the proposed \$5,240,000 maximum loan amount may not increase.
  - b. To substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the Executive Vice President, 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, including without limitation, the execution of loan documentation on behalf of the Housing Commission.

**107     HCR19-056     Loan Recommendation and Preliminary Bond Authorization East Block Senior Apartments**

***Seven-day advance notice of San Diego Housing Commission hearing of the following matter is being provided to the Housing Authority Members pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(4)(a)(b) for Staff Recommendation No. 1. Staff Recommendation Nos. 3-5 require Housing Authority or City Council approval.***

That the San Diego Housing Commission (Housing Commission) take the following actions and recommend that the Housing Authority of the City of San Diego (Housing Authority) and the San Diego City Council (City Council) take the following actions, as described in this report:

**Housing Commission**

- 1) Approve a Housing Commission residual receipts loan of up to \$6,750,000 to Fairmount Senior Housing CIC, L.P., to facilitate the proposed new construction of East Block Senior Apartments, which will consist of 115 new rental housing units that will remain affordable for 55 years for low-income seniors and two managers' units, to be located at the Northwest Corner of Fairmount Avenue and El Cajon Boulevard, San Diego, California 92105.

The Housing Commission's proposed loan would be contingent upon the developer receiving all necessary third-party funding commitments, including a California Tax Credit Allocation Committee (TCAC) 4 percent tax credits award of approximately \$12,000,000 and an approximate \$22,000,000 tax-exempt Multifamily Housing Revenue Bond financed loan. 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), or designee:





Regular Housing Commission Meeting of June 14, 2019

- a. To execute any and all documents necessary 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 and conditions as necessary for consistency with requirements of other funding sources or to accommodate market changes that may occur, provided that the proposed \$6,750,000 maximum Housing Commission loan amount may not increase;
- 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;

### **Housing Authority**

- 3) Approve initial steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds for this development, including:
  - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$22,000,000 in tax-exempt Multifamily Housing Revenue Bonds for new construction of East Block Senior Apartments;
  - 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 Multifamily Housing Revenue Bonds in an amount of up to \$22,000,000 for East Block Senior Apartments;
  - c. Approve a bond financing team of Quint & Thimmig as bond counsel, and CSG Advisors as financial advisor; and
- 4) Authorize the Housing Commission 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 the advice of General Counsel and/or the Bond Counsel.

### **City Council**

Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing, and adopt a resolution approving the Housing Authority's issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount of up to \$22,000,000.

### **108    [HCR19-055](#)    [Preliminary Bond Authorization East Block Family Apartments](#)**

#### ***Requires Housing Authority and City Council approval***

That the San Diego Housing Commission (Housing Commission) recommend that the Housing Authority of the City of San Diego (Housing Authority) and the San Diego City Council (City Council) take the following actions, as described in this report:



Regular Housing Commission Meeting of June 14, 2019

### **Housing Authority**

- 1) Approve the following steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds for East Block Family Apartments, which will consist of 77 rental housing units that will remain affordable for 55 years and one manager's unit, to be located at the Northwest corner of Fairmount Avenue and El Cajon Boulevard, San Diego, California 92105:
  - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$24,000,000 in Multifamily Housing Revenue Bonds for the construction of East Block Family Apartments by Fairmount Family Housing CIC, 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 \$24,000,000 for East Block Family Apartments;
  - c. Approve the financing team of Quint & Thimmig as Bond Counsel and CSG Advisors as Financial Advisor; and
- 2) Authorize the Housing Commission 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.

### **City Council**

Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing, and adopt a resolution approving the Housing Authority's issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$24,000,000.

## **109    [HCR19-050](#)    [Preliminary Bond Authorization for Scripps Mesa Apartments](#)**

### ***Requires Housing Authority and City Council approval***

That the San Diego Housing Commission (Housing Commission) recommend that the Housing Authority of the City of San Diego (Housing Authority) and San Diego City Council (City Council) take the following actions, as described in this report.

### **Housing Authority:**

- 1) Approve the following steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds for Scripps Mesa Apartments, a 264-unit rental housing development, located at 10380 Spring Canyon Road, San Diego, California 92131, which will consist of 53 units that will remain affordable for 55 years for very low-income families and 211 market rate rental housing units:
  - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$110,000,000 in Multifamily Housing Revenue Bonds for the construction of Scripps Mesa Apartments by Scripps Mesa Apartments, L.P.;



Regular Housing Commission Meeting of June 14, 2019

- 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 \$110,000,000 for Scripps Mesa Apartments;
    - c. Approve the financing team of Orrick as Bond Counsel and Ross Financial as Financial Advisor; and
  - 2) Authorize the Housing Commission 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.

### **City Council**

Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing, and adopt a resolution approving the Housing Authority's issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$110,000,000.

### **110    HCR19-072    Workshop and Discussion: Low-Income Housing Tax Credits**

### **NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION**

A workshop will be presented to the San Diego Housing Commission (Housing Commission) Board of Commissioners on the Low-Income Housing Tax Credits program for funding affordable housing development.

### **CLOSED SESSION**

It is anticipated that the San Diego Housing Commission will convene in closed session on Friday, June 14, 2019, 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 comments, if any.
- IV.    Commission will convene in closed session to consider the following agenda:
  - A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION pursuant to subdivision (c) of section 54954.5 of the Government Code and pursuant to subdivision (d)(1) of section 54956.9:**



Regular Housing Commission Meeting of June 14, 2019

Three (3) matters:

*Affordable Housing Coalition of San Diego County vs. City of San Diego; San Diego Housing Commission*, Superior Court of California, County of San Diego, Case No. 37-2019-00027875

Counsel will discuss the litigation and seek direction from the Board on handling of the matter.

*Patrice Baker, et. al. vs City of San Diego; et. al.* United States District Court for the Southern District of California

Counsel will seek direction from the Board concerning defense of the case.

*San Diego Tenant Union, and Darlissa McDowell vs. San Diego Housing Commission*, San Diego Superior Court Case No. 37-2019-00012582-CU-WM-CTL

Counsel will discuss the litigation and seek direction from the Board on the defense of the case.

**B. CONFERENCE WITH LEGAL COUNSEL-POTENTIAL INITIATION OF LITIGATION**, pursuant to subdivision (c) of section 54956.9 of the Government Code and pursuant to Government Code Section 54954.5(c)

One (1) matter

Counsel will discuss the potential initiation of litigation.

V. Announcement of Actions Taken in Closed Session.

VI. Adjournment.

## **ADJOURNMENT**

## **INFORMATIONAL REPORTS**

[HCR19-074 April 2019 Reporting Update for the City of San Diego's Bridge Shelter Programs](#)

[HCR19-075 April 2019 Reporting Update for City of San Diego's Storage Connect Center](#)  
[HCR19-076 Investment Report – Third Quarter Fiscal Year 2019](#)