



MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE SPECIAL MEETING
JULY 10, 2020
VIDEO CONFERENCE PURSUANT TO
CALIFORNIA GOVERNOR GAVIN NEWSOM'S
EXECUTIVE ORDER N-29-20**

ATTENDANCE

Present:

Vice Chair Ryan Clumpner
Commissioner Dion Akers
Commissioner Margaret Davis
Commissioner Johanna Hester
Commissioner Eugene "Mitch" Mitchell
President & CEO Richard C. Gentry
General Counsel Charles Christensen

Not present:

Chair Stefanie Benvenuto
Commissioner Kellee Hubbard

ITEMS

10 CALL TO ORDER

Vice Chair Clumpner called the Special Meeting to order at 9:03 a.m.

20 NON-AGENDA PUBLIC COMMENT

There were no public comments.

30 COMMISSIONER COMMENTS

There were no Commissioner comments.

40 REPORT BY THE PRESIDENT & CHIEF EXECUTIVE OFFICER

City Council Approves Funding for COVID-19 Emergency Rental Assistance Program

On June 30, the San Diego City Council voted unanimously to authorize the expenditure of \$15.1 million in federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funds to support the City of San Diego's COVID-19 Emergency Rental Assistance Program. The San Diego Housing Commission (Housing Commission) is administering the program on behalf of the City. With these



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funds, the program will be able to help approximately 3,500 low-income families that are experiencing financial hardships due to COVID-19. The online application for the program will be available no later than July 20 through the Housing Commission’s website, www.sdhc.org.

50 APPROVAL OF THE MINUTES

The minutes of the Special Housing Commission meeting of June 12, 2020, were approved on a motion by Commissioner Davis, seconded by Commissioner Akers, and passed by a vote of 4-0.

CONSENT AGENDA

Motion by Commissioner Hester to approve items 100 and 101 on consent. Seconded by Commissioner Akers and passed by a vote of 4-0.

100 HCR20-071 Action to Amend Appendix A of San Diego Housing Commission Policy PO101.000

That the San Diego Housing Commission (Housing Commission) Board of Commissioners recommend that the San Diego City Council adopt the amendment to Appendix A to Housing Commission Policy 101.000 “Conflict of Interest Code and Related Provisions.”

101 HCR20-063 Application for State of California Housing and Community Development Local Housing Trust Fund Program Funding

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) Authorize the Housing Commission’s President & Chief Executive Officer (President & CEO), or designee, to apply on behalf of the City of San Diego, for \$5 million in funding from the State of California’s Local Housing Trust Fund Program;
- 2) Authorize the President & CEO, or designee, to commit \$5 million in matching funds on a dollar-for-dollar basis from the City of San Diego’s (City) Affordable Housing Fund, as required by the Notice of Funding Availability (NOFA) (Attachment 1); and
- 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 to take such actions as are necessary and/or appropriate to implement these approvals.



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ACTION AGENDA

102 HCR20-064 Hillcrest Inn – Property Acquisition

Pari Zaker, Vice President, Development, Real Estate Division, presented the request for approval.

Motion by Commissioner Hester to take the following staff recommended actions. Seconded by Commissioner Davis and passed by a vote of 4-0.

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) take the following actions:

Housing Commission

- 1) Hold a hearing as required by the provisions of Assembly Bill (AB) 1637-Health & Safety Code Section 34340(a)(3); and
- 2) Adopt a Resolution making the findings required by AB 1637-Health & Safety Code Section 34340(a)(4) to allow gap funding for middle-income households at rents affordable to such households.

Housing Authority

- 3) Authorize the Housing Commission’s President & CEO, and, if and as necessary, the Executive Director of the Housing Authority, or designee, and/or the Executive Vice President and Chief of Staff, 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 upon the advice of General Counsel, to allow the Housing Commission to acquire Hillcrest Inn, the property located at 3754 Fifth Avenue, San Diego, CA 92103 (Property), on terms and conditions described in this report, as approved by General Counsel of the Housing Commission;
- 4) Ratify the execution of a Purchase and Sale Agreement (PSA) dated February 21, 2020, with the seller S Wilson Uptown, Inc. a California Seller (“Seller”);
- 5) Authorize the Housing Commission’s President & CEO, or designee, upon satisfactory completion and evaluation of the Property during the due diligence period, to take such actions and perform such acts as are necessary to acquire the 0.16 acre Property with improvements for the price of \$8,000,000. The Seller shall provide clear fee simple title upon acquisition of the Property;
- 6) Ratify the funding of the refundable escrow deposit of \$100,000 in accordance with the terms outlined in the PSA, which will be applicable to the purchase price and which deposit will become non-refundable upon the expiration of the due diligence period on August 19, 2020;



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- 7) Authorize the Housing Commission's President & CEO, or designee, to execute and record an affordability covenant against the Property for 65 years, with 36 of the units remaining affordable at or below 80 percent of the San Diego Area Median Income (AMI), four units affordable at or below 120 percent of AMI, and five units affordable at or below 150 percent of AMI;
- 8) Authorize the Housing Commission to provide property management services and hire additional staff, if needed, or procure a new property management company through a competitive Request for Proposal process;
- 9) Authorize the Housing Commission's purchase of the Property, associated closing costs, and remediation and upgrades to the Property utilizing \$4,800,000.00 of U.S. Department of Housing and Urban Development (HUD) Moving to Work (MTW) Funds; up to \$1,008,460 of local funds from the proceeds of the Housing Commission's sale of the Mariner's Village property to Housing Development Partners (HDP), the Housing Commission's nonprofit affiliate; and up to \$4,100,000 of local redevelopment funds;
- 10) Authorize the Housing Commission's President & CEO, or designee, to substitute approved funding sources for the Property 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 these approvals, upon the advice of General Counsel;
- 11) Approve all budgets associated with this potential acquisition. This includes the transfer and/or reallocation of funds between any and all funding use line items within the total approved development/project budget provided the total project/development budget amount after any and all transfers/reallocations does not exceed the previously approved budget total, in any instances when the operational need(s) arise and/or when such actions are to the benefit of the Housing Commission and its mission;
- 12) Hold a hearing as required by the provisions of AB 1637-Health & Safety Code Section 34340(a)(3); and
- 13) Adopt a Resolution making the findings required by AB 1637-Health & Safety Code Section 34340(a)(4) to allow gap funding for middle income households at rents affordable to such households.

103 HCR20-072 Workshop & Discussion: San Diego Affordable Housing Preservation Study

NO ACTION WAS REQUIRED ON THE PART OF THE HOUSING COMMISSION

Suket Dayal, Senior Vice President, Strategic Operations and Policy, Wendy DeWitt, Vice President, Strategic Operations and Policy, and Marcus Sproll, Preservation Coordinator, Strategic Operations and Policy, presented an informational workshop regarding the San Diego Housing Commission's



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Affordable Housing Preservation Study report, *Preserving Affordable Housing in the City of San Diego*.

CLOSED SESSION

The Housing Commission convened in closed session on Friday, July 10, 2020, at 10:08 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 :

**Conference with Real Property Negotiations (§ 54956.8)
Properties 1 through 3 below:**

Property 1: 1747 Pacific Highway, San Diego, California 92101.

APN: 533-311-14-00

Agency Negotiation: Richard C. Gentry; Jeff Davis; Mike Pavco; Pari Zaker; Charles B. Christensen; Walter Spath III

Negotiating Parties: Nelson Knight; Apple Seven SPE Social, Inc.

Under Negotiation: Instructions to Real Estate Negotiators will concern price and terms of payment.

Property 2: 5995 Pacific Mesa Court, San Diego, California 92121.

APN: 341-392-24-00

Agency Negotiation: Richard C. Gentry; Jeff Davis; Mike Pavco; Pari Zaker; Charles B. Christensen; Walter Spath III

Negotiating Parties: Rob Hayes; Ashford Mira Mesa San Diego Limited Partnership

Under Negotiation: Instructions to Real Estate Negotiators will concern price and terms of payment.

Property 3: 5400 Kearny Mesa Road, San Diego, California 92111.

APN: 356-030-53-00 and 356-030-55-00

Agency Negotiation: Richard C. Gentry; Jeff Davis; Mike Pavco; Pari Zaker; Charles B. Christensen; Walter Spath III

Negotiating Parties: Michael Jacobs; RT San Diego, LLC



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Under Negotiation: Instructions to Real Estate Negotiators will concern price and terms of payment.

V. Announcement of Actions Taken in Closed Session.

The San Diego Housing Commission Board of Commissioners by a vote of 4-0—with Vice Chair Clumpner, Commissioner Akers, Commissioner Davis and Commissioner Mitchell voting yes—to give direction to real estate negotiators concerning the acquisition of the three properties on the Closed Session agenda.

VI. Adjournment.

Vice Chair Clumpner adjourned the meeting at 10:37 a.m.

ADJOURNMENT

Vice Chair Clumpner adjourned the Special Meeting at 10:39 a.m.

Respectfully submitted,

Scott Marshall

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

Approved by,

Richard C. Gentry

Richard C. Gentry
President & Chief Executive Officer
San Diego Housing Commission