



SAN DIEGO
HOUSING
COMMISSION

MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE SPECIAL MEETING
SEPTEMBER 18, 2020
VIDEO CONFERENCE PURSUANT TO
CALIFORNIA GOVERNOR GAVIN NEWSOM'S
EXECUTIVE ORDER N-29-20**

ATTENDANCE

Present:

Chair Stefanie Benvenuto
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:

Commissioner Kellee Hubbard

ITEMS

10 CALL TO ORDER

Chair Benvenuto called the Special Meeting to order at 9:04 a.m.

20 NON-AGENDA PUBLIC COMMENT

David Gustavo Aguirre provided written materials to the Board from Community, Action, Service, and Advocacy's (CASA) SHAPE project regarding smoke-free policies and tobacco prevention.

30 COMMISSIONER COMMENTS

There were no Commissioner comments.



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40 REPORT BY THE PRESIDENT & CHIEF EXECUTIVE OFFICER

Bank of America Grant for City of San Diego COVID-19 Emergency Rental Assistance Program

On August 20, 2020, Bank of America awarded a \$100,000 economic relief grant to the San Diego Housing Commission (Housing Commission) to support the City of San Diego COVID-19 Emergency Rental Assistance Program. These philanthropic funds supplement the federal funding the City Council allocated to this program. Additional funding enables the program to help more families and individuals pay their rent as COVID-19 pandemic continues.

Benson Place Grand Opening

The Housing Commission celebrated the grand opening of Benson Place Apartments in the Otay Mesa/Nestor community on August 12, 2020. Vice Chair Clumpner joined Mayor Kevin L. Faulconer and Deacon Jim Vargas from Father Joe’s Villages on-site for this event. County Supervisor Greg Cox and City Councilmember Vivian Moreno also shared remarks by video. Benson Place is a former motel that was transformed into 82 permanent supportive housing units for San Diegans who experienced homelessness. The Housing Commission supported this development through HOUSING FIRST – SAN DIEGO, the agency’s homelessness action plan. The Housing Commission awarded 82 federal rental housing vouchers and a loan of more than \$4.8 million from federal and City funds that the Housing Commission administers.

Encanto Village Grand Opening

Another development that is part of HOUSING FIRST – SAN DIEGO celebrated its grand opening on July 31, 2020. Encanto Village provides 65 affordable rental apartments for low-income households in a core neighborhood of Encanto. Eight of these units are set aside for veterans who experienced homelessness. The Housing Commission awarded eight Veterans Affairs Supportive Housing Vouchers to Encanto Village to help these residents pay their rent. SDHC also awarded a \$1 million loan to support the development. President and CEO Gentry joined Mayor Faulconer, City Councilmember Monica Montgomery, County Supervisor Nathan Fletcher and the developer, National Community Renaissance, for the grand opening.

National and Local Awards

At the end of July, the San Diego Housing Commission and development partners were recognized with national and local awards.

National Awards

The National Association of Housing and Redevelopment Officials announced that the Housing Commission received four national Awards of Merit. These awards recognize innovative housing and community development projects, programs, and services. Two of these programs—New Palace Hotel and the Rental Assistance Inspection Automation—are also finalists for NAHRO’s Awards of Excellence, which will be announced later this year.

The award-winning programs are:

- Landlord Services & Support, which provides help to landlords who participate in the Housing Commission’s federal rental assistance program. This includes mobility counseling services,



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Landlord Advisory Committee, Landlord Services Unit and an online Rent Affordability Calculator.

- The Rental Assistance Division also was recognized for automating its process of scheduling and providing results for Housing Quality Standards inspections.
- In the area of Resident and Client services, the SDHC Achievement Academy’s Bridges to Career Opportunities program received an award of merit. This program helps participants pursue certifications for a career as a Certified Nursing Assistant or in the fields of Customer Service or Information Technology.
- The Housing Commission’s rehabilitation of New Palace Hotel was recognized in the Project Design category. New Palace provides 79 affordable studios for seniors who experienced homelessness or were at risk of homelessness.

In addition, the Encanto Village development received an Award of Merit in the “Affordable Housing” category.

Local Awards

Four additional developments the Housing Commission supported through HOUSING FIRST – SAN DIEGO also earned recognition at the end of July with Ruby Awards from the San Diego Housing Federation.

- The Beacon, which provides 43 permanent supportive housing units across the street from San Diego City College;
- Zephyr, a former motel that was transformed into 84 permanent supportive housing units in the Grantville community;
- Bluewater and Stella developments, which are adjacent buildings that provide 158 affordable rental housing units, including 87 permanent supportive housing units.

50 APPROVAL OF THE MINUTES

The minutes of the Special Housing Commission meeting of July 10, 2020, and August 4, 2020, were approved on a motion by Commissioner Mitchell, seconded by Commissioner Akers, and passed by a vote of 6-0.

CONSENT AGENDA

Motion by Commissioner Mitchell to approve items 100, 101, 102 and 104 on consent. Seconded by Commissioner Davis and passed by a vote of 6-0.



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100 HCR20-041 Award of Trash and Recycling Collection Services Contract

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

- 1) Approve an increase to the current Agreement with Republic Services of San Diego in the amount of \$69,500 for a maximum compensation amount of \$319,500 as identified in the Agreement; approve four one-year options to renew the Agreement with a maximum annual compensation amount of \$319,500; and approve an annual 10 percent contingency of \$31,950 for each year of the Agreement. The total not-to-exceed contract amount will be \$351,450 (\$319,500 plus the 10 percent contingency of \$31,950) upon approval by the Housing Commission Board of Commissioners (Board). The annual contingency will not be expended unless there is a demonstrated need. The contract term shall be for a one-year period, with four one-year renewal options based on the needs of the Housing Commission;
- 2) Authorize the President & Chief Executive Officer (President & CEO), or designee, to substitute the funding sources with other available funding sources provided 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; 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 take such actions as are necessary and/or appropriate to implement these approvals.

101 HCR20-080 Second Amendment to Landscape and Irrigation Maintenance Services Agreement at Properties in the City of San Diego That Are Owned or Managed by the San Diego Housing Commission, Contract No. PM-19-17

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

- 1) Ratify Amendment 2 to the contract for landscape and irrigation maintenance services at properties in the City of San Diego that are owned and/or managed by the Housing Commission to increase the annual maximum contract amount with NatureScape Services, Inc. in the first, second, third, fourth, and fifth contract years (September 1, 2019 – August 31, 2024) from \$316,293 per year to \$371,400 per year; and
- 2) Authorize the President & Chief Executive Officer (President & CEO), or designee, to substitute the funding sources with other available funding sources provided 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; 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



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Counsel, and take such actions as are necessary and/or appropriate to implement these approvals.

102 HCR20-087 Approval of the Award of Job Order Contracting Contracts

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

- 1) Authorize the President & Chief Executive Officer (President & CEO), or designee, to enter into cooperative purchasing agreements with the contractors referenced within this report based upon procurements previously competitively bid and awarded by Sourcewell;
- 2) Approve the award of 11 separate Job Order Contracting (JOC) contracts that include an initial one-year term with three additional one-year contract renewal options to the following companies, each with a value not to exceed maximum annual capacity of \$2,000,000:
 - a. PUB Construction, Inc. (General Construction) - SDHC JOC Contract #JOC-21-01
 - b. Vincor Construction, Inc. (General Construction) - SDHC JOC Contract #JOC-21-02
 - c. All Source Coatings, Inc. (General Construction) - SDHC JOC Contract #JOC-21-03
 - d. LDCo., Inc. (General Construction) - SDHC JOC Contract #JOC-21-04
 - e. Harry H Joh Construction Inc. (General Construction) – SDHC JOC Contract #JOC-21-05
 - f. Sylvester Roofing (Roofing) - SDHC JOC Contract #JOC-21-06
 - g. PUB Construction, Inc. (Flooring) - SDHC JOC Contract #JOC-21-07
 - h. All Source Tile Inc. (Flooring) - SDHC JOC Contract #JOC-21-08
 - i. PUB Construction, Inc. (Painting) - SDHC JOC Contract #JOC-21-09
 - j. All Source Coatings Inc. (Painting) - SDHC JOC Contract #JOC-21-10
 - k. US National Corp. (Painting) - SDHC JOC Contract #JOC-21-11
- 3) 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
- 4) Authorize the President & CEO, or designee, to execute all documents and instruments 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.

104 HCR20-089 Final Bond Authorization for Ulric Street Apartments

Mary Jane Jagodzinski submitted a comment in favor, which was read into the record.

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:



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Housing Authority

- 1) Authorize the issuance of up to \$28,930,321 in tax-exempt Multifamily Housing Revenue Bonds to facilitate Ulric Street Housing Associates L.P.'s (USHA) acquisition with new construction of the Ulric Street Apartments (Ulric), a 96-unit affordable rental housing development located at 2645-2685 Ulric Street, San Diego, which will consist of 95 units that will remain affordable for 55 years, including 10 units for veterans experiencing chronic homelessness, and one unrestricted manager's unit;
- 2) Authorize the issuance of up to \$6,000,000 in a taxable Multifamily Housing Revenue Bond for USHA's construction financing for Ulric Street Apartments.

City Council

Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the final issuance of Multifamily Housing Revenue Bonds in an amount up to \$28,930,321 to fund the development of Ulric Street Apartments.

ACTION AGENDA

103 HCR20-082 Fiscal Year 2021 Section 8 Administrative Plan

Azucena Valladolid, Senior Vice President, Rental Assistance and Workforce Development, and Carrie Bell, Vice President, Rental Assistance, San Diego Housing Commission, presented the request for approval.

Motion by Commissioner Davis to take the following staff-recommended actions. Seconded by Commissioner Mitchell 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) 2021 Section 8 Administrative Plan (Attachment 1) and the implementation of new policy (Attachment 2) therein; and
- 2) Authorize the President & Chief Executive Officer, or designee, to execute all documents and instruments 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.

105 HCR20-078 Final Bond Authorization for The Orchard at Hilltop Family Housing

Colin Miller, Vice President, Multifamily Housing Finance, San Diego Housing Commission, presented the request for approval.

Motion by Commissioner Davis to take the following staff-recommended actions. Seconded by Commissioner Mitchell and passed by a vote of 6-0.



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

- 1) Authorize the issuance of up to \$27,885,943 in tax-exempt Multifamily Housing Revenue Bonds to facilitate Hilltop Family Housing L.P.'s new construction of The Orchard at Hilltop, formerly known as Hilltop & Euclid Family Housing, to be located at 922-944 Euclid Avenue, San Diego, California 92115, which will consist of 111 units that will remain affordable for 55 years and two managers' units.
- 2) Authorize the issuance of up to \$3,500,000 in taxable Multifamily Housing Revenue Bonds for the Hilltop Family Housing L.P.'s construction financing for The Orchard at Hilltop Family Housing.

106 HCR20-079 Front & Beech Affordable Housing Loan Recommendation

Colin Miller, Vice President, Multifamily Housing Finance, San Diego Housing Commission, presented the request for approval.

Motion by Commissioner Davis to take the following staff-recommended actions. Seconded by Commissioner Hester and passed by a vote of 6-0.

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

- 1) Approve a Housing Commission residual receipts loan of up to \$4,250,000 to Front & Beech SD, LP, a California limited partnership, to finance the proposed acquisition and new construction of Front & Beech Apartments, a 78-unit affordable rental housing development to be located at the southeast corner of Front and Beech streets, San Diego, which will include 77 units that will remain affordable for 55 years and one unrestricted manager's unit.

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 General Counsel's approval.

- 2) Authorize the President and Chief Executive Officer (President & CEO), or designee:
 - a. To execute any and all documents necessary 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 \$4,250,000 maximum 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



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

107 HCR20-091 Approval of the Contract Amendment between the San Diego Housing Commission and Father Joe’s Villages to operate the City of San Diego’s Bridge Shelter for Families, Single Women, and Transitional-Aged Youth

Lisa Jones, Senior Vice President, Homeless Housing Innovations, and Casey Snell, Director of Housing First Administration, San Diego Housing Commission, presented the request for approval.

Motion by Commissioner Davis to take the following staff-recommended actions. Seconded by Commissioner Akers and passed by a vote of 6-0.

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:

Housing Authority:

- 1) Approve an amendment to the operating agreement with Father Joe’s Villages (FJV) for the operation of the City of San Diego’s Bridge Shelter for Families, Single Women, and Transitional-Aged Youth (TAY) at Golden Hall, with expanded capacity to serve 280 additional Single Adults, to increase the current contract in an amount of \$2,920,869.87, for a nine-month period, which includes operations startup costs of \$52,481.25 for a total contract amount, inclusive of the current budget for the original 288 beds, of \$7,667,957.27 to support up to 568 beds and cribs in total. Funding type for the expansion is anticipated to be City General Fund in the amount of \$2,920,869.87. Existing beds are funded by the State of California Homeless Housing, Assistance, and Prevention program in the amount of \$4,747,087.40;
- 2) Authorize the Housing Commission’s President & Chief Executive Officer (President & CEO), or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form and format approved by General Counsel, and to take such actions necessary and/or appropriate to implement these approvals;
- 3) Authorize the Housing Commission’s President & CEO, or designee, 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 Housing Commission Board or the Housing Authority, but only if and to the extent that funds are determined to be available for such purposes.

City Council:

- 1) Authorize the Chief Financial Officer to expend \$3,035,354.15 from the General Fund, from the Homelessness Strategies Department budget, to support expanded Bridge Shelter activity, and to expend an additional \$448,855.18 from the same source to support a further



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minor expansion of shelter opportunities at this location if it is determined there is adequate physical and operational capacity, for a total not to exceed \$3,484,209.33.

- 2) Authorize the Chief Financial Officer to substitute other sources of funding (including Coronavirus Relief Funds, Emergency Solutions Grant funds, Homeless Emergency Aid Program, or Homeless, Housing, Assistance, and Prevention funds), if available after having accounted for other approved uses of that funding, in order to meet spending timelines associated with those funds. Should it be determined that a substitute of funding sources would be beneficial, this authorization would only be actioned, if and to the extent that an Environmental Review per National Environmental Policy Act environmental clearances with respect to federal funding sources is completed and clearance is received.

**108 HCR20-081 Residence Inn Hotel Circle & Residence Inn Kearny Mesa—
Property Acquisition**

Michael Pavco, Senior Vice President, Real Estate Acquisitions and Development, San Diego Housing Commission, presented the request for approval.

City Councilmember Chris Cate submitted a letter in favor, which was read into the record.

Emily Cottrell and Cathy Herrick submitted comments in opposition, which were read into the record.

Motion by Commissioner Akers to take the following staff-recommended actions. Seconded by Commissioner Mitchell and passed by a vote of 6-0.

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) Ratify the execution of a Purchase and Sale Agreement (PSA) for the property located at 1865 Hotel Circle South, San Diego CA, 92108, (referred to as “Residence Inn Hotel Circle”), dated August 20, 2020, with the seller Chatham RIMV LLC;
- 2) Ratify the execution of the broker’s commission to Kidder Matthews in the amount of \$502,500 for Residence Inn Hotel Circle;
- 3) Authorize the Housing Commission’s President & Chief Executive Officer (President & CEO), or designee, upon satisfactory completion and evaluation of Residence Inn Hotel Circle, during the due diligence period to take such actions and perform such acts as are necessary to acquire Residence Inn Hotel Circle, a 5.06-acre property with improvements, for the price of \$67,000,000. Chatham RIMV LLC shall provide clear fee simple title upon acquisition of the property;
- 4) For Residence Inn Hotel Circle, ratify the funding of the refundable escrow deposit of \$250,000 in accordance with the terms outlined in the PSA, which will be applicable to the



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purchase price and which deposit will become non-refundable upon the expiration of the due diligence period on November 17, 2020.;

- 5) Authorize the Housing Commission's President & CEO, or designee, to execute and record an affordability covenant against the Residence Inn Hotel Circle for 55 years, with 190 units remaining affordable at or below 80 percent of the San Diego Area Median Income (AMI) plus two unrestricted managers' units, for a total of 192 units;
- 6) Authorize the purchase of the Residence Inn Hotel Circle, associated closing costs as well as remediation and upgrades to the property utilizing \$27,700,000 in State of California Department of Housing and Community Development (HCD) Homekey Program (Homekey) Funds; \$32,840,399 in a permanent loan from Chase Bank; \$928,174 in federal Moving to Work (MTW) funds; \$10,000,000 in federal Community Development Block Grant funds; and \$3,500,000 in a Deferred Developer Fee. HCD informed the Housing Commission that it has reserved \$27,700,000 in Homekey grant funds for the Housing Commission for the acquisition of Residence Inn Hotel Circle. However, in the unlikely event that such an HCD grant is not finally committed by HCD, this gap will be filled with \$27,700,000 in eligible funds from the City of San Diego. In addition, the Housing Commission's President & CEO, or designee, is hereby granted the authority to substitute alternative funds, provided that the amount of the substituted funding does not exceed the original funding amount(s), when in the best interests of the Housing Commission and when such funds are available, as referenced in this report;
- 7) Authorize the Housing Commission's President & CEO, or designee, to substitute approved funding sources for Residence Inn Hotel Circle 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;
- 8) 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 Residence Inn Hotel Circle on terms and conditions described in this report, as approved by General Counsel of the Housing Commission;
- 9) Approve all budgets associated with Residence Inn Hotel Circle. 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;



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- 10) Ratify the execution of a PSA for the property located at 5400 Kearny Mesa Road, San Diego, CA 92111 (referred to as “Residence Inn Kearny Mesa”), dated July 20, 2020, with the seller RT San Diego, LLC;
- 11) Authorize the Housing Commission’s President & CEO, or designee, upon satisfactory completion and evaluation of Residence Inn Kearny Mesa during the due diligence period to take such actions and perform such acts as are necessary to acquire Residence Inn Kearny Mesa, a 3.63-acre property with improvements for the price of \$39,500,000. RT San Diego, LLC shall provide clear fee simple titles upon acquisition of the property;
- 12) For Residence Inn Kearny Mesa, 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 November 17, 2020;
- 13) Authorize the Housing Commission’s President & CEO, or designee, to execute and record an affordability covenant against the Residence Inn Kearny Mesa for 55 years, with 142 units remaining affordable at or below 80 percent of the San Diego Area Median Income (AMI) and two unrestricted managers’ units, for a total of 144 units;
- 14) Authorize the purchase of the Residence Inn Kearny Mesa, associated closing costs as well as remediation and upgrades to the property utilizing \$10,000,000 in State Homekey Funds; \$17,425,852 in a permanent loan, from Chase Bank; \$6,594,517 in MTW funds; \$10,000,000 in City Coronavirus Aid, Relief, and Economic Security (CARES) Act Fund from the City of San Diego; and \$2,469,310 in a Deferred Developer Fee. The State Department of Housing and Community Development (HCD) informed the Housing Commission that it has reserved \$10,000,000 in Homekey grant funds for the Housing Commission for this property acquisition. However, in the unlikely event that such an HCD grant is not finally committed by HCD, this gap will be filled with an additional \$10,000,000 in CARES Act Funds from the City of San Diego. In addition, the Housing Commission’s President & CEO, or designee, is hereby granted the authority to substitute alternative funds, provided that the amount of the substituted funding does not exceed the original funding amount(s), when in the best interests of the Housing Commission and when such funds are available, as referenced in this report;
- 15) Authorize the Housing Commission’s President & CEO, or designee, to substitute approved funding sources for Residence Inn Kearny Mesa 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;
- 16) 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



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advice of General Counsel, to allow the Housing Commission to acquire Residence Inn Kearny Mesa on terms and conditions described in this report, as approved by General Counsel of the Housing Commission;

- 17) Approve all budgets associated with Residence Inn Kearny Mesa, as referenced within this report. 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.
- 18) Approve the execution of such funding agreements with the City of San Diego that may be necessary to allow for the acquisition of the Residence Inn Hotel Circle and Residence Inn Kearny Mesa properties, including but not limited to agreements to allow for the substitution of City of San Diego CARES Act Funding in the amount of \$10,000,000.00 in the unlikely event that the reservation of \$10,000,000 in HCD Funds for the acquisition of the Residence Inn Kearny Mesa property is not finally awarded by HCD and to allow for the substitution of eligible funds from the City of San Diego in the amount of \$27,700,000 in the unlikely event that the reservation of \$27,700,000 in HCD funds for the acquisition of Residence Inn Hotel Circle is not finally awarded by HCD. Housing Commission staff anticipate these funds will be awarded, but because of timing issues to close the purchase of the properties this year, there is not sufficient time to bring another action item forward at a later date, which makes this approval of a substitute funding source necessary. This is also necessary to allow the Housing Commission to submit a Subsidy Lawyering Review (SLR) to the U.S. Department of Housing and Urban Development in a timely manner, which is a prerequisite to final funding from all federal sources of funds.

109 HCR20-088 Approval of the Fiscal Year 2021 Agreements Between the San Diego Housing Commission and 1) People Assisting the Homeless and 2) Father Joe's Village for the Provision of Services and Property Management Operations in San Diego Housing Commission-Owned Permanent Supportive Housing Developments

Lisa Jones, Senior Vice President, Homeless Housing Innovations, and Casey Snell, Director, Housing First Administration, Homeless Housing Innovations, San Diego Housing Commission, presented the request for approval.

Zach Schlagel submitted a comment in favor, which was read into the record.

Motion by Commissioner Hester to take the following staff-recommended actions. Seconded by Commissioner Davis and passed by a vote of 5-0.

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:



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- 1) Authorize the Housing Commission's President & Chief Executive Officer (President & CEO), or designee, to execute an initial one-year operating agreement in an amount not to exceed \$2,793,106, with one one-year option to renew, with People Assisting the Homeless (PATH) to provide supportive services and property management in a permanent supportive housing development at 1865 Hotel Circle South, San Diego, California 92108; and execute an initial one-year operating agreement in an amount not to exceed \$2,089,008, with one one-year option to renew, with Father Joe's Village (FJV) to provide supportive services and property management in a permanent supportive housing development at 5400 Kearny Mesa Road, San Diego, California 92111;
- 2) Authorize the Housing Commission's President & CEO, or designee, to execute a service provider agreement, with Property Management sub-agreement, as approved by General Counsel. Choice of a property manager by the service provider shall be subject to the approval of the same by the Housing Commission's President & CEO, or designee;
- 3) Authorize the Housing Commission's President & CEO, or designee, to execute all necessary documents and instruments that are necessary and/or appropriate to implement these approvals, in a form and format approved by General Counsel, and to take such actions necessary and/or appropriate to implement these approvals; and
- 4) Authorize the Housing Commission's President & CEO, or designee, 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 Housing Commission's Board of Commissioners (Board), but only if and to the extent that funds are determined to be available for such purposes.

110 HCR20-093 Authorization to Expend Federal CARES Act Funds, Awarded to the San Diego Housing Commission, to Provide One-Time Rental Assistance Through the City of San Diego's COVID-19 Emergency Rental Assistance Program

Jeff Davis, Executive Vice President & Chief of Staff, San Diego Housing Commission, presented the request for approval.

Motion by Commissioner Davis to take the following staff-recommended actions. Seconded by Commissioner Hester and passed by a vote of 5-0.

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 to expend up to \$3,200,000 in federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funds, which the U.S. Department of Housing and Urban Development (HUD) awarded to the Housing Commission, to provide one-time rental assistance to households with low income in the City of San Diego (City) through the



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City's COVID-19 Emergency Rental Assistance Program, subject to all of the eligibility requirements specified in the program;

- 2) Authorize the Housing Commission's President and Chief Executive Officer (President & CEO), or designee, to substitute alternative funds, provided that the amount of the substituted funding does not exceed the original funding amount, when in the best interests of the Housing Commission and when such funds are available, as referenced in this report; and
- 3) Authorize the Housing Commission's 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.

ADJOURNMENT

Chair Benvenuto adjourned the Special Meeting at 11:30 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