



SAN DIEGO
HOUSING
COMMISSION

REVISED AGENDA

SAN DIEGO HOUSING COMMISSION
REGULAR MEETING AGENDA
NOVEMBER 20, 2015, 9:00 A.M.
SMART CORNER
4TH FLOOR CONFERENCE ROOM
1122 BROADWAY
SAN DIEGO, CALIFORNIA 92101

Chair Gary Gramling
Vice Chair Roberta Spoon
Commissioner Margaret Davis
Commissioner Kellee Hubbard
Commissioner Ben Moraga
Commissioner Dorothy Surdi
Commissioner Frank Urtasun

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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



Regular Housing Commission Meeting of November 20, 2015

40 REPORT BY THE PRESIDENT & 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 will be taken.

50 APPROVAL OF THE MINUTES

October 9, 2015, Regular Meeting

100 [HCR15-080 Housing Opportunities Collaborative Memorandum of Understanding and Commercial Lease at SDHC Achievement Academy & Housing Development Partners Commercial Lease at Smart Corner](#)

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

- 1) Authorize the Housing Commission's Executive Vice President and Chief Operating Officer (COO), or designee, to execute lease documents between the Housing Commission and Housing Opportunities Collaborative (HOC), in a form approved by General Counsel, for ground floor office space in the SDHC Achievement Academy, at 1045 11th Avenue, San Diego, 92101, located at the Housing Commission's Smart Corner building at 1122 Broadway, San Diego, 92101, on terms approved by the Housing Commission Board;
- 2) Authorize the Executive Vice President & COO, or designee, to execute the Memorandum of Understanding (MOU) between the Housing Commission and HOC, in a form approved by General Counsel, to operate a Housing Resources Center that provides services to benefit the Housing Commission clients and additional individuals in the City of San Diego, on terms approved by the Housing Commission Board; and
- 3) Authorize the Executive Vice President & COO or designee, to execute lease documents between the Housing Commission and Housing Development Partners (HDP), a nonprofit affiliate of the Housing Commission, in a form approved by General Counsel, for ground floor office space at 1100 Broadway, San Diego, 92101 located at the Housing Commission's Smart Corner building at 1122 Broadway, San Diego, 92101 on terms approved by the Housing Commission Board.

101 [HCR15-084 2016 San Diego Housing Commission Board Meeting Schedule](#)

That the San Diego Housing Commission (Housing Commission) Board approve the 2016



Regular Housing Commission Meeting of November 20, 2015

meeting schedule (Attachment 1) that includes 10 scheduled meetings to be held at the Housing Commission's office building, 1122 Broadway, San Diego, CA 92101.

102 [HCR15-087 Approval of Transit-Oriented Development Fund Consultant Contract](#)

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

- 1) Authorize the execution of an agreement with Forsyth Street Advisors for the creation, implementation, and management of the Affordable Housing Transit-Oriented Development Fund (TOD Fund) for a total compensation of \$200,000, with half to be paid by the Housing Commission and half by Civic San Diego (CivicSD) and to be administered by them jointly, for a term of five years, with 2 five-year extensions. The form and format of the agreement shall be subject to the approval of General Counsel of the Housing Commission;
- 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.

103 [HCR15-094 2016 Procurement of Workers' Compensation Insurance Coverage](#)

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

- 1) Authorize the President & Chief Executive Officer (President & CEO) to approve the procurement of workers' compensation insurance coverage for the Housing Commission from the California Housing Workers' Compensation Authority (CHWCA) in an amount not to exceed \$360,051 with effective dates of January 1, 2016, to December 31, 2016; and
- 2) Forward to the Housing Authority of the City of San Diego a resolution for consideration, without a recommendation from the Housing Commission Board of Commissioners (Board), that would designate the Housing Commission Board and any other individuals, if any, who perform voluntary services without pay as Housing Commission employees for the limited purposes of qualifying for workers' compensation insurance coverage under California Labor Code section 3200, et. seq. A resolution specifically approving



Regular Housing Commission Meeting of November 20, 2015

coverages for volunteers is required by CHWCA for CHWCA to officially extend coverage for the volunteers, however because the resolution affects Housing Commission Board members, it will be referred to the Housing Authority for consideration without a recommendation from the Housing Commission Board.

104 [HCR15-095 Park Crest Senior Apartments – Property Rehabilitation](#)

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

- 1) Approve the addition of \$914,192 in Build America Bond (BAB) loan proceeds and \$238,096 in Housing Commission local funds (bond, lease, and rental revenue) to the Park Crest Senior Apartments (Park Crest) revised rehabilitation plan totaling \$1,152,288;
- 2) Authorize the President & Chief Executive Officer (President & CEO), or designee, to substitute previously approved funding sources for the rehabilitation of Park Crest, contingent upon budget availability; and
- 3) 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 to take such actions as are necessary and/or appropriate to implement these approvals in connection with the completion of the rehabilitation of Park Crest provided that the construction contracts do not exceed the revised budgeted costs of improvements of \$3,731,775 upon the advice of General Counsel.

105 [HCR15-093 Fiscal Year 2015 Comprehensive Annual Financial Report \(CAFR\) and A-133 Single Audit Reports](#)

That the San Diego Housing Commission (Housing Commission) accept and approve the Fiscal Year (FY) 2015 (July 1, 2014 – June 30, 2015) Comprehensive Annual Financial Report (CAFR) and A-133 Single Audit Reports prepared by CohnReznick LLP, an independent audit firm, and forward the Audit Report to the San Diego City Council's Audit Committee for review, approval and acceptance prior to distributing the reports to the Housing Authority of the City of San Diego (Housing Authority) and interested parties.

106 [HCR15-083 Proposed Revisions to City of San Diego Single-Room Occupancy \(SRO\) Hotel Regulations Ordinance \(San Diego Municipal Code 143.0510 – 143.0590\)](#)

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

Regular Housing Commission Meeting of November 20, 2015

- 1) Approve the proposed revisions (Attachment 1) to the City of San Diego (City) Single-Room Occupancy (SRO) Hotel Regulations Ordinance (San Diego Municipal Code 143.0510 – 143.0590) as described in this report; and
- 2) Direct the City Attorney to work with the Housing Commission President & Chief Executive Officer (President & CEO) and Housing Commission General Counsel to draft ordinance revisions that reflect the Housing Commission proposals and return to City Council for introduction and adoption of the revised ordinance.

107 HCR15-082 North Park Seniors Apartments - Loan Recommendation and Preliminary Bond Items

That the San Diego Housing Commission (Housing Commission) recommend Housing Authority of the City of San Diego (Housing Authority) approval, as described in this report, for the following:

- 1) Approve a Housing Commission residual receipts loan of up to \$7,000,000 to Texas Street Senior Housing L.P., a California limited partnership, to facilitate the proposed new construction of North Park Seniors Apartments (North Park) with 75 new affordable units.

The Housing Commission's proposed loan would be contingent upon the developer Community HousingWorks (CHW) receiving all necessary third party funding commitments including a California Tax Credit Allocation Committee (TCAC) award of approximately \$8,565,610 of 4 percent tax credits, an approximate \$15,000,000 tax-exempt bond financed loan, as well as additional funds from other third-party sources as described in this report. Such third-party funding commitments would be subject to the Housing Commission's General Counsel's approval.

- 2) Approve initial steps to issue Housing Authority tax-exempt multifamily housing mortgage revenue bonds for this project, including:
 - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$15,000,000 in tax exempt multifamily housing revenue bonds for new construction of North Park.
 - 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 of up to \$15,000,000 for North Park.
 - c. Approve a bond financing team of Squire Patton Boggs as bond counsel, and CSG Advisors as bond 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

Regular Housing Commission Meeting of November 20, 2015

approving the Housing Authority's issuance of tax-exempt multifamily housing mortgage revenue bonds in an amount of up to \$15,000,000.

- 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.
 - b. 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 loan amount may not increase.
 - c. Substitute approved funding sources with any other available funds as deemed appropriate, and 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.

108 HCR15-092 Mission Gorge Apartments - Preliminary Bond Items

That the San Diego Housing Commission (Housing Commission) recommend 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.

- 1) Recommend the Housing Authority approve a bond inducement resolution (a declaration of official intent) for up to \$24,000,000 in multifamily housing revenue bonds for the development of Mission Gorge Apartments by a limited partnership composed of an affiliate of Chelsea Investment Corporation (Chelsea), Southern California Housing Collaborative, and a tax credit investor;
 - a. Approve 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 by the Housing Authority for Mission Gorge Apartments;
- 2) Recommend the City Council hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of multifamily housing revenue bonds in an amount up to \$24,000,000 by the Housing Authority for Mission Gorge Apartments;
- 3) Authorize the President and Chief Executive Officer (President & CEO) of the Housing Commission, or designee, to execute all necessary documents and instruments to effectuate the transaction and implement the project, in a form approved by General Counsel, and to



Regular Housing Commission Meeting of November 20, 2015

take such actions as are necessary, convenient and/or appropriate to implement the approvals upon advice of General Counsel.

109 HCR15-085 Final Bond Authorization for Torrey Vale

That the San Diego Housing Commission (Housing Commission) recommend that the Housing Authority of the City of San Diego (Housing Authority) authorize the issuance of up to \$7,000,000 in tax-exempt multifamily housing revenue bonds/note to fund construction of Torrey Vale (Torrey), a 28-unit affordable rental housing development, to be located in Pacific Highlands Ranch at 6595 Rancho Del Sol Way, San Diego.

110 HCR15-098 Vista La Rosa - Preliminary Bond Items

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 \$57,000,000 in multifamily housing revenue bonds/note for the development of Vista La Rosa by a limited partnership to be formed by Standard Property Company (SPC).
 - 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/note in an amount up to \$57,000,000 for Vista La Rosa;
 - c. Approve the financing team of Orrick, Herrington, & Sutcliffe LLC as Bond Counsel and Public Financial Management as Financial Advisor; and
 - 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 multifamily housing revenue bonds/note in an amount up to \$57,000,000; 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 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.



Regular Housing Commission Meeting of November 20, 2015

111 [HCR15-100 Lofts at Normal Heights - Preliminary Bond Items](#)

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 \$19,000,000 in multifamily housing revenue bonds/note for the development of Lofts at Normal Heights by a limited partnership to be formed by Chelsea Investment Corporation (CIC).
 - 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/note in an amount up to \$19,000,000 for Lofts at Normal Heights;
 - c. Approve the financing team of Quint & Thimmig, LLP as Bond Counsel and CSG Advisors as Financial Advisor; and
 - 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 multifamily housing revenue bonds/note in an amount up to \$19,000,000; 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 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.

112 [HCR15-096 Actions Establishing President & Chief Executive Officer Compensation for Period of September 19, 2015, through September 18, 2016, as recommended by the Ad Hoc CEO Performance Evaluation Committee of the San Diego Housing Commission](#)

That the Board of Commissioners for the San Diego Housing Commission (“Board”) establish the CEO’s compensation package to coincide with the seventh anniversary date of the commencement of employment, as authorized by the Employment Agreement, and as recommended by the Ad Hoc CEO Performance Evaluation Committee (Evaluation Committee), consisting of the Chair Gary Gramling, Vice Chair Roberta Spoon, and Commissioner Frank Urtasun, for the period of September 19, 2015, through September 18, 2016, specifically:

Regular Housing Commission Meeting of November 20, 2015

- 1) Increase the CEO's current base salary by 2.5 percent for the period of September 19, 2015, through September 18, 2016 (the "Compensation Period"), in consideration of the outstanding/excellent work of the CEO as determined by the Board, and consistent with the 2.5 percent cost of living salary increase approved for all San Diego Housing Commission (Housing Commission) employees;
- 2) Maintain the CEO's current compensation package as referenced within the report, for the period of September 19, 2015, through September 18, 2016, except as expressly modified by Items 1, 3, and 4 of these recommendations;
- 3) Approve a \$15,000.00 incentive performance payment in recognition of the CEO's accomplishment of all of the goals set at the CEO's 2014 evaluation; and
- 4) Approve an additional 100 hours of annual leave for the Compensation Period.

113 [HCR15-099](#) [Amendment to Job Order Contracting Agreements for Completion of Otay Villas/Adaptable Housing Preservation Plan](#)

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

- 1) Ratify and/or approve Amendment 1 (Attachment 1) to increase the 2015-2016 maximum aggregate contract amount for Job Order Contracting (JOC) Agreement No. JOC-16-01 with Vincor Construction, Inc. (Vincor) (Attachment 2) from \$500,000 up to a maximum not-to-exceed amount of \$1,000,000, pursuant to the applicable provisions of Housing Authority Resolution R-1543, and based upon procurements previously competitively bid and awarded by the National Joint Powers Alliance (NJPA);
- 2) Ratify and/or approve Amendment 1 (Attachment 3) to increase the 2015-2016 maximum aggregate contract amount for JOC Agreement No. JOC-16-04 with Angeles Contractor, Inc. (Angeles) (Attachment 4) from \$500,000 up to a maximum not-to-exceed amount of \$1,250,000, pursuant to the applicable provisions of Housing Authority Resolution R-1543, and based upon procurements previously competitively bid and awarded by the NJPA;
- 3) Authorize the President & Chief Executive Officer (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



Regular Housing Commission Meeting of November 20, 2015

- 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.

114 HCR15-097 Workshop & Discussion: The San Diego Housing Commission's Housing Footprint, Community Role and Economic Impact on San Diego

A workshop will be presented on the San Diego Housing Commission's economic impact in the City of San Diego and County of San Diego for Fiscal Year 2014 (July 1, 2013 – June 30, 2014). The presentation will be made by the Fermanian Business & Economic Institute, a strategic unit of the Fermanian School of Business at Point Loma Nazarene University.

There will be no action taken during the meeting of November 20, 2015, in relation to this item.

CLOSED SESSION

It is anticipated that the San Diego Housing Commission will convene in closed session on Friday, November 20, 2015, 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.
- A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION pursuant to subdivision (c) of 54954.5 of the Government Code and pursuant to subdivision (a) of Section 54956.9:

Marian L. Malzahn, et al. vs. San Diego Housing Commission, et al., SDSC Case No. 37-2013-00079570-CU-WT-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.

- B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION pursuant to subdivision (c) of 54954.5 of the Government Code and pursuant



Regular Housing Commission Meeting of November 20, 2015

to paragraph (4) of subdivision (d) of Section 54956.9:

Counsel's Description of General Nature of Closed Session:

Counsel will discuss potential initiation of litigation related to default of the APR Construction at two sites.

Two (2) or more cases.

- C. CONFERENCE WITH REAL PROPERTY NEGOTIATORS pursuant to subdivision (b) of 54954.5 of the Government Code and 54956.8 of the Government Code

Property: Hotel Metro, 434 and 435 13th Street, San Diego, California ("Property") APN: 535-156-07; 535-155-04 and 05

Agency negotiators: Richard C. Gentry, Jeff Davis, Debbie Ruane, Ted Miyahara, Ann Kern and Charles Christensen for the San Diego Housing Commission

Negotiating parties: Four (4) groups:

CRC Partners, LLC, Clark Realty Capital, Clark Builders Group, CBG Building Company, CRC Companies and CRC Property Management;

Trestle Development LLC and Canvas Ventures LLC; and

Fowler Property Acquisitions, LLC

Walsh Chacon, Inc; Brian and Jeanette Malone and Brian and Erin Walsh

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

IV. Announcement of Actions Taken in Closed Session.

V. Adjournment.

ADJOURNMENT

INFORMATIONAL REPORTS

[HCR15-089 Agency Financial Statements – First Quarter Fiscal Year 2016 \(Unaudited\)](#)



Regular Housing Commission Meeting of November 20, 2015

[HCR15-090 Investment Report – First Quarter Fiscal Year 2016](#)

[HCR15-091 Fiscal Year 2015 Travel and Training Report](#)