



SAN DIEGO  
HOUSING  
COMMISSION

# AGENDA

**SAN DIEGO HOUSING COMMISSION  
REGULAR MEETING AGENDA  
FEBRUARY 10, 9:00 A.M.  
SMART CORNER  
4<sup>TH</sup> FLOOR CONFERENCE ROOM  
1122 BROADWAY  
SAN DIEGO, CALIFORNIA 92101**

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

**Assistance for the Disabled:** Agendas, reports and records are available in alternative formats upon request. Please contact [SDHCdocketinfo@sdhc.org](mailto:SDHCdocketinfo@sdhc.org), (619) 578-7550 (voice) or (619) 398-2440 (TTY) at least five days prior to the meeting.

**Questions Regarding Agenda Items:** For specific questions regarding any item on the San Diego Housing Commission agenda, please contact [SDHCdocketinfo@sdhc.org](mailto:SDHCdocketinfo@sdhc.org) or (619) 578-7550. Internet access to agendas and reports is available at [www.sdhc.org/Media-Center/SDHC-Meetings/Housing-Commission-Meetings/](http://www.sdhc.org/Media-Center/SDHC-Meetings/Housing-Commission-Meetings/).

## **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 February 10, 2017

**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.

*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.*

**50 APPROVAL OF THE MINUTES**

January 13, 2017, Regular Meeting

**100 [HCR17-014](#) [Zephyr Grantville Veterans Apartments – Loan Recommendation](#)**

*The 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).*

1. That the San Diego Housing Commission (Housing Commission) approve a Housing Commission residual receipts loan of up to \$3,000,000 to a limited partnership to be formed by Affirmed Housing Group (Affirmed) to finance the acquisition, rehabilitation, and reconfiguration of 84 affordable rental housing units at Zephyr Grantville Veterans Apartments (Zephyr), located at 4370 Alvarado Canyon Road, San Diego, which will remain affordable for 55 years.

The Housing Commission’s proposed loan would be contingent upon the developer receiving all additional necessary funds from third-party funding commitments, including a California Tax Credit Allocation Committee (TCAC) 9 percent tax credits award of approximately \$16,423,000; approximately \$232,500 of State tax credits; \$6,370,000 of Veterans Housing and Homelessness Prevention Program (VHHP) funds from the California Department of Housing and Community Development; 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. That the Housing Commission authorize the President and Chief Executive Officer (President & CEO), or designee;
  - A. To execute any and all documents that he deems necessary to effectuate the transaction and implement the project in a form approved by General Counsel, and to take such actions as



Regular Housing Commission Meeting of February 10, 2017

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 \$3,000,000 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 appropriate to implement this approval and delegation of authority by the Housing Commission upon advice of General Counsel.

**101 [HCR17-013 Twain Veterans Housing - Loan Recommendation and Preliminary Bond Authorization](#)**

*The 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) concerning Staff Recommendation No. 1 only.*

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

1. That the San Diego Housing Commission (Housing Commission) approve a Housing Commission residual receipts loan of up to \$5,500,000 to Affirmed Housing Group's (Affirmed) to-be-formed California limited partnership, to facilitate the proposed new construction of Twain Veterans Housing (Twain Veterans) with 79 new affordable rental housing units for homeless individuals and Veterans, to be located at 4304 Twain Avenue, San Diego;
  - A. For the application for a 4 percent California Tax Credit Allocation Committee (TCAC) allocation, the Housing Commission's proposed loan would be contingent upon: the developer receiving all necessary third-party funding commitments, including a California TCAC award of approximately \$8,400,000 of 4 percent tax credits; approximately \$1,290,000 of State tax credits; an approximate \$19,700,000 tax-exempt Multifamily Housing Revenue Bond financed loan; approximately \$6,905,000 of Veterans Housing and Homeless Prevention (VHHP) funds from the California Department of Housing and Community Development, 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;
  - B. For the application for a 9 percent TCAC tax credit allocation, the Housing Commission's proposed loan would be contingent upon the developer receiving all necessary third-party



Regular Housing Commission Meeting of February 10, 2017

funding commitments, including a California TCAC award of necessary 9 percent tax credits.

2. That the Housing Commission authorize the President and Chief Executive Officer (President & CEO), or designee:
  - A. To execute any and all documents that he deems 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/conditions as necessary for consistency with requirements of other funding sources or to accommodate market changes that may occur, provided that the proposed \$5,500,000 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 to implement this approval and delegation of authority by the Housing Commission upon advice of General Counsel;
3. That the Housing Commission recommend that the Housing Authority of the City of San Diego (Housing Authority) 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 \$19,700,000 in tax-exempt Multifamily Housing Revenue Bonds for new construction of Twain Veterans;
  - 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 \$19,700,000 for Twain Veterans;
  - C. Approve a bond financing team of Orrick, Herrington & Sutcliffe LLP as bond counsel, and Ross Financial as bond financial advisor; and
4. That the Housing Commission recommend that the 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 \$19,700,000.



Regular Housing Commission Meeting of February 10, 2017

102 [HCR17-012 Fairmount Family Housing - Loan Recommendation and Preliminary Bond Authorization](#)

*The 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) concerning Staff Recommendation No. 1 only.*

1. That the San Diego Housing Commission (Housing Commission) approve a Housing Commission residual receipts loan of up to \$9,468,500 to Fairmount Family Housing LP (Fairmount Family LP), a California limited partnership, to facilitate the proposed new construction of Fairmount Family Apartments (Fairmount Family) with 79 new affordable rental housing units for low-income families, to be located at 6121 Fairmount Avenue, San Diego, which will remain affordable for 55 years.

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 \$10,100,000; an approximate \$22,000,000 tax-exempt Multifamily Housing Revenue 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. That the Housing Commission authorize the President and Chief Executive Officer (President & CEO), or designee:
  - A. To execute any and all documents that he deems 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 \$9,468,500 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;



Regular Housing Commission Meeting of February 10, 2017

3. That the Housing Commission recommend that the Housing Authority of the City of San Diego (Housing Authority) 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 Fairmount Family;
  - 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 Fairmount Family;
  - C. Approve a bond financing team of Orrick, Herrington & Sutcliffe LLP as bond counsel, and Ross Financial as bond financial advisor; and
4. That the Housing Commission request that the 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.

**103    [HCR17-010](#)    [The Lofts at Normal Heights – Loan Recommendation](#)**

***The 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:

1. Approve a proposed \$5,200,000 residual receipts loan to Normal Heights CIC, a California limited partnership, to facilitate the proposed new construction of 52 affordable rental housing units for homeless Veterans, known as Lofts at Normal Heights, to be located at 3808 El Cajon Boulevard, San Diego, which will remain affordable for 55 years;
  - A. For the application for a 4 percent California Tax Credit Allocation Committee (TCAC) tax credit allocation, the Housing Commission's proposed loan would be contingent upon: the developer receiving all necessary third-party funding commitments, including a TCAC award of approximately \$6,528,262 of 4percent tax credits; approximately \$5,615,000 from State of California Department of Housing & Community Development Veterans Homeless Housing Prevention (VHHP) funds; an estimated \$10,569,325 tax-exempt Multifamily Housing Revenue 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;



Regular Housing Commission Meeting of February 10, 2017

- B. For the application for a 9 percent TCAC tax credit allocation, the Housing Commission's proposed loan would be contingent upon the developer receiving all necessary third-party funding commitments, including a TCAC award of necessary 9 percent tax credits.
2. That the Housing Commission authorize the President and Chief Executive Officer (President & CEO), or designee,
    - A. To execute any and all documents that he deems 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/conditions as necessary for consistency with requirements of other funding sources or to accommodate market changes that may occur, provided that the proposed \$5,200,000 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 appropriate to implement this approval and delegation of authority by the Housing Commission upon advice of General Counsel.

**104    [HCR17-011](#)    [The Post 310 Apartments - Loan Recommendation and Preliminary Bond Authorization](#)**

*The 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) concerning Staff Recommendation No. 1 only.*

1. That the San Diego Housing Commission (Housing Commission) approve a Housing Commission residual receipts loan of up to \$3,114,524 to Post 310 San Diego LP (PSD), a California limited partnership, to facilitate the proposed new construction of The Post 310 Apartments (the Post) with 42 new affordable rental housing units.

The Housing Commission's proposed loan would be contingent upon: the co-developers receiving all necessary third-party funding commitments, including a California Tax Credit Allocation Committee (TCAC) award of approximately \$5,819,675 of 4 percent tax credits; an approximate \$9,000,000 tax-exempt Multifamily Housing Revenue Bond financed loan; \$3,525,000 of Veterans Housing and Homeless Prevention (VHHP) funds from California Department of Housing and Community Development; 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;



Regular Housing Commission Meeting of February 10, 2017

2. That the Housing Commission authorize the President and Chief Executive Officer (President & CEO), or designee,
  - A. To execute any and all documents that he deems 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 \$3,114,524 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;
3. That the Housing Commission recommend that the Housing Authority of the City of San Diego (Housing Authority) 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 \$9,000,000 in tax-exempt Multifamily Housing Revenue Bonds for new construction of The Post;
  - 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 \$9,000,000 for The Post;
  - C. Approve a bond financing team of Quint & Thimmig as bond counsel, and CSG Advisors as bond financial advisor;
4. That the Housing Commission recommend that the 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 \$9,000,000.





Regular Housing Commission Meeting of February 10, 2017

105 [HCR17-020](#) [Encanto Village - Loan Recommendation](#)

*The 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).*

1. That the San Diego Housing Commission (Housing Commission) approve a Housing Commission residual receipts loan of up to \$7,250,000 to Encanto Village TOD, a California limited partnership, to facilitate the proposed new construction of Encanto Village with 65 new affordable rental housing units, including 57 units for families and eight units for homeless Veterans, in a transit-oriented development, to be located at 6317-23, 6355, and 6357 Imperial Avenue, San Diego, which will remain affordable for 55 years.
  - A. The developer intends to pursue Affordable Housing Program (AHP) funding from the Federal Home Loan Bank in the amount of \$650,000. If funds are secured, the Housing Commission loan amount will be reduced by \$650,000. If AHP funds are not secured, the developer shall pursue other financing sources considered public subsidy by the California Tax Credit Allocation Committee (TCAC) in the amount of \$650,000. If the developer is not successful in securing \$650,000 from AHP or an eligible TCAC source, the developer shall make a \$650,000 Housing Commission loan payment at conversion to permanent financing from developer sources of funding.
  - B. The Housing Commission's proposed \$7,250,000 total loan would be contingent upon the developer receiving all necessary third-party funding commitments, including a TCAC 9 percent tax credits award of approximately \$12,616,939 and a privately funded loan of an estimated \$3,551,465, 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. That the Housing Commission authorize the President and Chief Executive Officer (President & CEO), or designee,
  - A. To execute any and all documents that he deems 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 \$7,250,000 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 &



Regular Housing Commission Meeting of February 10, 2017

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.

**106 [HCR17-017 Preliminary Bond Authorization for Hollywood Palms II Apartments](#)**

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

1. Approve the following steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds for Hollywood Palms II Apartments, a 94-unit multifamily affordable housing rental development, located in the City Heights community, which will remain affordable for 55 years:
  - A. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$19,500,000 in Multifamily Housing Revenue Bonds for the redevelopment of Hollywood Palms II Apartments by a limited partnership formed by Affirmed Housing Group (Affirmed);
  - 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 \$19,500,000 for Hollywood Palms II Apartments;
  - C. Approve the financing team of Jones Hall as Bond Counsel and Public Financial Management (PFM) 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 in an amount up to \$19,500,000; 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 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.

**107 [HCR17-016 Preliminary Bond Authorization for Pacific Highlands Ranch Village](#)**

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



Regular Housing Commission Meeting of February 10, 2017

1. Approve the following steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds for Pacific Highlands Ranch Village, a 79-unit multifamily affordable housing rental development, located in the Pacific Highlands Ranch community, which will remain affordable for 55 years:
  - A. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$24,000,000 in Multifamily Housing Revenue Bonds for the development of Pacific Highlands Ranch Village by a limited partnership formed by Affirmed Housing Group (Affirmed);
  - 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 Pacific Highlands Ranch Village;
  - C. Approve the financing team of Stradling Yocca Carlson & Rauth as Bond Counsel and Ross Financial 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 in an amount up to \$24,000,000; 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 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.

**108    [HCR17-023    Workshop & Discussion: HOUSING FIRST – SAN DIEGO, San Diego Housing Commission’s Homelessness Action Plan \(2014-17\)](#)**

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

A workshop will be presented to provide an overview of the accomplishments of HOUSING FIRST – SAN DIEGO, the San Diego Housing Commission’s landmark three-year Homelessness Action Plan (2014-17), which is an effective, diverse funding and housing strategy that is on target to impact the lives of close to 3,000 homeless San Diegans—Veterans, families and individuals in the city of San Diego—which far exceeds its initial goal of 1,500 homeless San Diegans..



SAN DIEGO  
HOUSING  
COMMISSION

Regular Housing Commission Meeting of February 10, 2017

**INFORMATIONAL REPORTS**

**[HCR17-018 Multifamily Bond Program - Annual Status Report for 2016](#)**

**[HCR17-019 San Diego Housing Commission Semi-Annual Grant Report July 1, 2016 through December 31, 2016](#)**

**ADJOURNMENT**