



AGENDA

SAN DIEGO HOUSING COMMISSION
REGULAR MEETING AGENDA
JUNE 16, 2017, 9:00 A.M.
SMART CORNER
4TH FLOOR CONFERENCE ROOM
1122 BROADWAY
SAN DIEGO, CALIFORNIA 92101

Chair Frank Urtasun
Vice Chair Dorothy Surdi
Commissioner Margaret Davis
Commissioner Stefanie Benvenuto
Commissioner Kellee Hubbard
Commissioner Ben Moraga
Commissioner Tim Walsh

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ITEMS

10 CALL TO ORDER

20 NON-AGENDA PUBLIC COMMENT

At this time, individuals may address the San Diego Housing Commission (Housing Commission) on any subject in its area of responsibility that is not presently pending before the Housing Commission. Communications are limited to three minutes. Pursuant to the Brown Act, the Housing Commission can take no action. Please fill out a Speaker Request Form and submit it to the secretary prior to the meeting.

30 COMMISSIONER COMMENTS

40 REPORT BY THE PRESIDENT & CHIEF EXECUTIVE OFFICER



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50 APPROVAL OF THE MINUTES

May 5, 2017, Regular Meeting

ADOPTION AGENDA – CONSENT

Members of the public may cause an item to be pulled from the Consent Agenda by submitting a Speaker Request Form prior to the meeting. The item will then be discussed separately, and public testimony will be taken.

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

100 [HCR17-053](#) [Appointments to San Diego Housing Commission Committees](#)

That the San Diego Housing Commission (Housing Commission) Board of Commissioners confirm the following recommended appointments to Housing Commission Committees, as referenced in this report:

1. **Audit Committee:** Commissioner Margaret Davis; Commissioner Ben Moraga; and Roberta Spoon.
2. **Investment Committee:** Chairman of the Board Frank Urtasun; Commissioner Margaret Davis; and Commissioner Kellee Hubbard.
3. **Real Estate Committee:** Vice Chair of the Board Dorothy Surdi; Commissioner Tim Walsh; and Gary Gramling.
4. **Strategic Plan Committee:** Chairman of the Board Frank Urtasun; Commissioner Stefanie Benvenuto; and Commissioner Ben Moraga.

101 [HCR17-052](#) [Appoint Board Members to Housing Development Partners \(HDP\) and HDP Mason Housing Corporation](#)

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

1. Appoint Housing Commission Vice Chair Dorothy Surdi and Commissioner Ben Moraga as members of the Boards of Directors of Housing Development Partners (HDP) and HDP Mason Housing Corporation; and
2. Appoint Gary Gramling and Roberta Spoon as at-large members of the Boards of Directors of HDP and HDP Mason Housing Corporation.



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102 [HCR17-047 Fiscal Year 2018 Section 8 Administrative Plan](#)

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

1. Approve the Fiscal Year (FY) 2018 Section 8 Administrative Plan (Attachment 1) and the implementation of new policy therein; and
2. Authorize the President & Chief Executive Officer, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions as are necessary and/or appropriate to implement these approvals.

103 [HCR17-032 Loan Recommendation and Preliminary Bond Authorization for San Ysidro Family Transit-Oriented Development](#)

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 \$9,250,000 to a limited partnership to be formed by Chelsea Investment Corporation (CIC) to facilitate the proposed new construction of San Ysidro Family Transit-Oriented Development (TOD), with 139 new affordable rental housing units for low-income families, to be located at 251-263 and 238-240 Cypress Drive, 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 \$14,000,000; an approximate \$30,000,000 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;



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- 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 \$9,250,000 maximum Housing Commission loan amount may not increase;
- c) To substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the President & CEO, or designee, to take such actions as are necessary, convenient, and/or appropriate to implement this approval and delegation of authority by the Housing Commission upon advice of General Counsel;

Requires Housing Authority Approval

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 \$30,000,000 in tax-exempt Multifamily Housing Revenue Bonds for new construction of San Ysidro Family TOD;
 - 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 \$30,000,000 for San Ysidro TOD;
 - c) Approve a bond financing team of Straddling Yocca Carlson & Rauth (Stradling) as bond counsel, and Ross Financial as bond financial advisor; and

Requires City Council Approval

4. That the Housing Commission recommend that the San Diego 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 \$30,000,000.

104 [HCR17-050](#) [Loan Recommendation for Beacon Apartments](#)

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, as described in this report:

1. Approve a Housing Commission residual receipt loans in an amount not to exceed \$3,200,000 to a to-be formed Limited Partnership consisting of Wakeland, and a tax credit investor to finance the development of the Property.
2. Authorize the President and Chief Executive Officer (President & CEO) of the Housing Commission, or designee:



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- a) To execute all necessary documents and instruments 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 \$3,200,000 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.

**105 [HCR17-051 Preliminary Bond Authorization for Luther Tower](#)
*Requires Housing Authority and City Council Approval***

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

Housing Authority:

1. Approve the following steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds for Luther Tower, a 200-unit senior affordable housing rental development, located in the Downtown community, which will remain affordable for 55 years:
 - a) Issue a bond inducement resolution (Declaration of Official Intent) for up to \$21,500,000 in Multifamily Housing Revenue Bonds for the development of Luther Tower by Tower Housing Partners, LP;
 - 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 \$21,500,000 for Luther Tower;
 - c) Approve the financing team of Orrick Herrington Sutcliffe as Bond Counsel and Public Finance Management (PFM) Advisors as Financial Advisor; and
2. Authorize the Housing Commission President & Chief Executive Officer (President & CEO), or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by General Counsel and Bond Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of General Counsel and/or the Bond Counsel.



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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 \$21,500,000.

**106 [HCR17-017](#) [Final Bond Authorization for Bella Vista Apartments](#)
*Requires Housing Authority and City Council Approval***

HOUSING AUTHORITY ACTION:

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

1. Authorize the issuance of up to \$23,300,000 in tax-exempt Multifamily Housing Revenue Bonds, which are allocated by the State, to facilitate Bella Vista Affordable Communities, L.P., a California limited partnership's acquisition and rehabilitation of Bella Vista Apartments, a 170-unit development, located at 4742 Solola Avenue, San Diego, in the Encanto neighborhood, which will include 170 units that will remain affordable for 55 years.

CITY COUNCIL ACTION:

2. Request that the San Diego City Council (City Council) hold a Tax Equity and Fiscal Responsibility Act (TEFRA) hearing, and adopt a resolution approving the issuance of Multifamily Housing Revenue Bonds in an amount up to \$23,300,000.

**107 [HCR17-018](#) [Final Bond Authorization for New Palace Hotel](#)
*Requires Housing Authority Approval***

That the San Diego Housing Commission (Housing Commission) recommend that the Housing Authority of the City of San Diego (Housing Authority) authorize the issuance of up to \$12,000,000 in tax-exempt Multifamily Housing Revenue Bonds, which are allocated by the State, to facilitate California limited partnership HDP New Palace L.P.'s acquisition and rehabilitation of New Palace Hotel, an 80-unit development, located at 1814 5th Avenue, San Diego, which will include 79 units that will remain affordable for 55 years.

108 [HCR17-054](#) [Workshop and Discussion: Low-Income Housing Tax Credits](#)

NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION

At the June 16, 2017, meeting, a workshop will be presented on the Low-Income Housing Tax Credits program for funding affordable housing development.



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CLOSED SESSION

It is anticipated that the San Diego Housing Commission will convene in closed session on Friday, June 16, 2017, at 9:00 a.m. with the following agenda:

- I. **Announcement by Counsel of the Matters to be discussed in Closed Session and the basis upon which each will be discussed, as referenced within the Brown Act.**
- II. **Public Testimony and Comment, if any, concerning any matter on the Closed Session Agenda.**
- III. **Commissioner comments, if any.**
- IV. **Commission will convene in closed session to consider the following agenda:**
 - A. **CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION pursuant to subdivision (c) of section 54954.5 of the Government Code and pursuant to subdivision (d)(1) of section 54956.9:**

Two (2) matters:

San Diego Housing Commission vs. APR Construction, et al., Superior Court of California, County of San Diego, Case No. 37-2016-00012455-CU-BC-CTL; and

San Diego Housing Commission vs. APR Construction, et.al., Superior Court of California, County of San Diego, Case No. 37-2016-00011386-CU-BC-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.

- V. **Announcement of Actions Taken in Closed Session.**
- VI. **Adjournment.**

INFORMATIONAL REPORTS

[HCR17-048 Investment Report - Third Quarter Fiscal Year 2017](#)

[HCR17-049 Agency Financial Statements - Third Quarter Fiscal Year 2017 \(Unaudited\)](#)

ADJOURNMENT