



POLICY

EFFECTIVE DATE: 6/30/2015

NO: PO-RED-300.104.1

SUBJECT: HOTEL METRO REAL ESTATE DISPOSITION POLICY

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1 Purpose

To provide a policy of the San Diego Housing Commission concerning the disposition and sale of the Hotel Metro Properties by the Board of Commissioners of the San Diego Housing Commission to be implemented by the President/Chief Executive Office of the San Diego Housing Commission.

2 Policy

Implementation of Sale or Disposition of the Hotel Metro Properties

2.1 In order to allow for expeditious sale and disposition of the Hotel Metro properties without approval by the Board of the Housing Authority of the City of San Diego (Housing Authority), the Housing Authority and the City Council of the City of San Diego hereby delegates to the Board of Commissioners of the San Diego Housing Commission (Board of Commissioners) and to the President & Chief Executive Officer of the San Diego Housing Commission (CEO) the power to sell and dispose of the Hotel Metro properties without further approval by the Housing Authority on the following terms and conditions:

Conditions for Sale or Disposition Hotel Metro Properties

2.2 The CEO is given and delegated the full authority and power to make expenditures within his or her procurement authority, as referenced within the Housing Authority approved procurement policy, if determined necessary or advisable by the CEO, before such sale may expend such funds as are necessary to allow for a timely sale and closing of escrow.

2.3 The sale and disposition of the Hotel Metro Properties shall be sold and disposed of by the CEO in accordance with the procedures set forth within Health and Safety Code Section 34312.3 and/or 34315.7, or other applicable provisions, after public hearing before the Board of Commissioners.

2.4 The CEO is authorized to review, approve and execute any and all documents and to perform such acts as are necessary and/or appropriate and/or convenient to effectuate and implement the sales and dispositions referenced in this policy.



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- 2.5 The CEO is authorized to contract directly with brokers and/or cooperate with brokers to effectuate the sales and dispositions and to pay commissions as appropriate within the standard of practice within the commercial real estate community as determined by the CEO with input from the General Counsel.
- 2.6 All sales and dispositions shall be accomplished in a manner that sales prices at or above fair market value of the properties as determined at the time of sale taking into consideration the condition of the property and all other factors that affect the market value of the properties being sold. To the extent that any proposed sale or disposition does not meet all of the requirements set forth within this policy, it must be forwarded to the Housing Authority for approval prior to the consummation of the proposed sales or dispositions.
- 2.7 Any action taken by the Board of Commissioners to sell or dispose of the Hotel Metro properties shall be determined by a vote of the Board of Commissioners. After the approval of the sale of the Hotel Metro Properties a seven (7) day written notice shall be delivered to each of the Members of the Housing Authority. Within seven (7) days of the receipt of such written notice, any one (1) Member of the Housing Authority may elect to have the entire Housing Authority, respectively, review a proposed sale or disposition. Such review shall be pursuant to the provisions of San Diego Municipal Code Section 98.0301(e), in the case of the review by the Housing Authority of the City of San Diego. If any Member of the Housing Authority elects to hear the matter, the sale or disposition shall not proceed until such hearing occurs before the full Board of Commissioners of the Housing Authority. Any action of the Board of Commissioners shall not become final until seven (7) days have elapsed from the written notice to the Housing Authority Members, without any Member of the Housing Authority seeking review of the decision. If a review is sought of a decision of the Board of Commissioners, by any Member of the Housing Authority, any action of the Board of Commissioners shall not be final until it is reviewed by the Members of the Housing Authority.
- 2.8 Any action by the Board of Commissioners to sell or dispose of Hotel Metro properties shall not become final until seven (7) days have elapsed, with no election by any Member



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of the Housing Authority to hear the matters(s).

- 2.9 The CEO is delegated the power and authority to arrange for lending and/or borrowing as is required to allow the properties to be disposed of and/or sold, as approved by the Board of Commissioners.
- 2.10 The CEO shall comply with any and all applicable laws associated with the sale of properties such as the Hotel Metro.
- 2.11 The CEO shall report to the Board of Commissioners and the Housing Authority, at the end of the quarter in which the Hotel Metro properties have closed escrow.
- 2.12 The CEO may adopt Administrative Regulations to implement this policy as necessary.
- 2.13 The CEO shall, as necessary or appropriate, acquire real estate appraisals of the Hotel Metro properties, or update existing appraisals, before sale or disposition, but only to the extent necessary to comply with any applicable laws or regulations concerning the sale or disposition of the Hotel Metro properties, as required by law.
- 2.14 This policy is adopted pursuant to the provisions of Health and Safety Code Section 34320 affecting the disposition of real property.
- 2.15 This delegation by the City Council of the City of San Diego is made pursuant to the provision of San Diego Municipal Code Section 98.0301(d).
- 2.16 All sales and dispositions shall comply with any and all federal, state, local and Housing Commission conflict of interest provisions and shall preclude the sale of property to any person or entity that would have a conflict of interest under any applicable law. No sales shall be made to insiders at preferential rates and each sale shall be an arms length bona fide transaction.
- 2.17 This policy does not authorize the sale or disposition of any multifamily housing project(s) except the Hotel Metro properties without the approval of the Housing



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Authority of the city of San Diego, as required by San Diego Municipal Code Section 98.0301.

Approved:

Jeff Davis
Executive Vice President & Chief Operating Officer

11-5-15

Date