

## **HOUSING AUTHORITY MINUTES**

**TUESDAY, FEBRUARY 15, 2005 REGULAR MEETING  
202 C STREET, 12<sup>TH</sup> FLOOR  
CITY OF SAN DIEGO, CALIFORNIA**

### **ATTENDANCE**

Chair Murphy and Council members Peters, Zucchet, Atkins, Young, Maienschein, Frye, Madaffer and Inzunza.

### **CALL TO ORDER**

Chair Murphy called the meeting to order at 10:40 am.

### **PUBLIC COMMENT**

None.

### **ITEM 1      APPROVAL OF THE MINUTES**

Approval of the minutes of the regular meeting of February 1, 2005.

A MOTION TO APPROVE THIS ITEM WAS CARRIED ON A UNANIMOUS VOTE OF 9-0.

### **ITEM 2      Multifamily Housing Revenue Bonds for Sycamore Estates Apartments (Council District 7)**

**Recommendation:** That the Housing Authority take the following initial actions:

- a) Approve a bond inducement resolution (a “declaration of official intent”) for up to \$12 million in multifamily housing revenue bonds for new construction of the 106-unit Sycamore Estates Apartments; and,
- b) Approve an application (and subsequent applications if necessary) to the California Debt Limit Allocation Committee for an allocation of authority to issue tax-exempt “private activity bonds” for the Sycamore Estates Apartments.

Councilmember Madaffer stated that this is a great project and asked if the apartments can be converted into condominiums. Peter Armstrong, Housing Commission Project Manager replied based on the requirements of bond financing for 30 years these units cannot be converted to condominiums during this time period. Affordability under the

terms of inclusionary housing requirements of the FUA will regulate the property for 55 years.

Assistant City Attorney Les Girard stated these are only the preliminary steps and the actual issuance of the bonds will be at a later date.

A MOTION TO APPROVE THIS ITEM WAS CARRIED ON A UNANIMOUS VOTE OF 8-1 WITH DISTRICT 5 VOTING NO.

**ITEM 3      Proposed Loan Increase to “Affirmed Family Housing Partners – Creekside, LLC” for New Construction of “Creekside Trails” (Council District 8)**

**Recommendation:** Approve a maximum \$970,000 increase to the existing Creekside Trails loan, raising the total loan amount from \$1,830,000 to \$2,800,000, to pay for additional costs of construction upon the terms and conditions discussed in this report.

A MOTION TO APPROVE THIS ITEM WAS CARRIED ON A UNANIMOUS VOTE OF 9-0.

**ITEM 4      Proposed Loan, Sale-Leaseback Agreement and Predevelopment Loan Modification with Housing Development Partners of San Diego to Develop 52<sup>nd</sup> Street Senior Apartments (Council District 7)**

**Recommendation 1:** Take the following initial actions:

- a) Approve an assignment of the Option to Purchase the land for a total of \$1,825,000 (including \$25,000 closing costs) from Housing Development Partners of San Diego to the San Diego Housing Commission and enter into an arrangement whereby Housing Development Partners of San Diego will lease back the property under a 65-year lease agreement as outlined in this report;
- b) Approve a residual receipts loan of up to \$2,372,000 at the applicable federal funds rate to the Housing Development Partners of San Diego and/or tax credit limited partnership, as outlined in this report; and
- c) Authorize the Chief Operating Officer of the Housing Commission, or designee, to execute all documents necessary to facilitate the financing.

**Recommendation 2:** Extend the term from June 30, 2004 to June 30, 2006 on the \$50,000 predevelopment loan to Housing Development Partners for the property located at 52<sup>nd</sup> and El Cajon Boulevard. All other terms and conditions will remain in full force and effect.

**Recommendation 3:** Ask the City of San Diego to take such actions necessary to grant the HOME funds to the San Diego Housing Commission to effectuate the acquisition of

the property on terms and conditions referenced herein and that the City assume administration of the HOME grant with the San Diego Housing Commission on terms and conditions referenced in this report.

The City's current financial situation prompted Council members to ask several questions pertaining to the bond issuance, the nature of the bonds and potential risk to the issuer, etc. The Mayor asked that additional information be provided prior to actions to actually issue bonds.

Councilmember Atkins asked that Counsel make this item a priority so that the project is not put in jeopardy.

A MOTION TO CONTINUE THIS ITEM TO MARCH 1, 2005 WAS CARRIED ON A UNANIMOUS VOTE OF 9-0.

**ITEM 5      Supplemental Multifamily Housing Revenue Bonds to Complete Construction of Rancho del Norte Apartments (Council District 1)**

**Recommendation:** That the Housing Authority take the following initial actions:

- a) Approve a bond inducement resolution in an amount up to \$400,000 to complete construction of the 119-unit Rancho del Norte Apartments. This action will increase the total issuance amount from \$9.825 million to \$10.225 million. All other aspects of the project will remain as originally approved;
- b) Approve an application (and subsequent applications if necessary) to the California Debt Limit Allocation Committee for an allocation of authority to issue tax-exempt "private activity bonds" for the Rancho del Norte Apartments.

A MOTION TO APPROVE THIS ITEM WAS CARRIED ON A UNANIMOUS VOTE OF 8-0 WITH DISTRICT 8 ABSENT.

**ADJOURNMENT**

Chair Murphy adjourned the meeting at 11:16 am.