



# SAN DIEGO HOUSING COMMISSION

# AGENDA

## AGENDA

### AGENDA 400

**Assistance for the Disabled:** Agendas, reports and records are available in alternative formats upon request. To order information in Braille, oversized print or voice cassette tape, or to arrange for a sign language or oral interpreter for the meeting, please call the City Clerk's office at least five days prior to the meeting at **533-4000 (voice) or 236-7012 (TT)**.

**Assistive Listening Devices (ALDs):** Are available from the City Clerk's Office prior to the meeting, and are to be returned at the end of the meeting.

**SAN DIEGO HOUSING COMMISSION  
AGENDA FOR THE REGULAR MEETING  
MARCH 23, 1998  
9:00 A.M.  
CITY ADMINISTRATION BUILDING  
202 C STREET, 12TH FLOOR  
SAN DIEGO, CALIFORNIA**

### ITEMS

**10    CALL TO ORDER**

(Arthur, Dick, Macias, Nottley, Oxberry, and Tumminia)

**20    PUBLIC COMMENT**

At this time individual(s) may address the Commission on any subject in its area of responsibility on any matter not presently pending before the Commission. Communications are limited to three minutes. Pursuant to the Brown Act, no action can be taken by the Commission. Please fill out a **SPEAKER REQUEST FORM** and submit it to the secretary prior to the meeting.

**30     COMMISSIONER COMMENTS**

**40     REPORT BY THE EXECUTIVE DIRECTOR**

**50     APPROVAL OF THE MINUTES**

Approval of the Minutes of February 23, 1998.

Approval of the Minutes of March 9, 1998.

**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 taken.

**100    HCR98-032 - Issuance of Housing Revenue Bonds for Mountain View Estates Apartments (Council District 4)**

Recommendation No. 1: It is recommended that the Housing Commission recommend Housing Authority authorization for the issuance of up to \$4,653,750 of multifamily housing revenue bonds to provide permanent financing for the acquisition and rehabilitation of the 145-unit Mountain View Estates Apartments (formerly known as Town and Country Village Apartments) located at 4066 Messina Drive, by Mountain View Properties, Ltd, a California limited partnership, subject to issuance of final loan insurance commitment by FHA. Permanent tax-exempt bond financing was anticipated at the time of the Housing Commission's loan approval for the project in 1996.

Recommendation No. 2: It is recommended that the Housing Commission approve the financing team consisting of CGMS Incorporated and CIC Research, Inc. (MBE - 20 percent), financial advisor; and Fulbright & Jaworski, bond counsel, for the proposed bond issuance.

Recommendation No. 3: It is recommended that the Housing Commission subordinate to a three-year secondary financing, up to \$276,595f, from Mercy Housing to supplement the project's permanent financing, subject to the project's overall loan-to-value ratio not exceeding the 1.15 coverage requirement set previously for the financing by the Housing Commission.

Recommendation No. 4: It is recommended that the Housing Commission approve the HUD-required extension of the term (to 35 years from the existing 30 years) and modification of certain other provisions under the existing \$2.1 million Housing Commission loan, as described in the report. It is so recommended in

order to preserve the Housing Commission's foreclosure rights under its junior financing and to extend the project's affordability term by the same period of time.

Fiscal Impact:

1) The issuance and sale of the bonds will not financially obligate the City, the Housing Authority or the Housing Commission because security for the repayment of the bonds will be limited to specific private revenue sources. All costs of the financing, including compensation for staff efforts in preparing the bonds will be borne by the developer. Housing Commission's annual administrative fee under the financing will be up to \$10,700 (0.23 percent of the bond amount).

2) If there is no increase in the HUD's appraised value of the project before the closing, the Housing Commission's existing \$2,065,897 loan will be reduced by approximately \$420,000.

Previous Related Action(s): A bond inducement resolution and an application for the allocation of bond issuing authority for the project was recommended by the Housing Commission on September 16, 1996 (Report No. 96-152) and approved by the Housing Authority on November 26, 1996 (R-00875 and R-00876). Housing Commission's \$2,065,897 junior loan for the project was recommended by the Housing Commission on November 21, 1996 (Report No. 96-199) and approved by the Housing Authority on December 10, 1996 (R-00881). TEFRA resolution for the project was recommended by the Housing Commission on November 3, 1997 (Report No. 97-155) and approved by the City Council on November 18, 1997 (R-289456).

**101 HCR98-038 - Issuance of Housing Revenue Bonds for a Pool of Three Affordable Multifamily Housing Projects (Council Districts 4 and 8)**

Recommendation No. 1: It is recommended that the Housing Commission recommend:

1. Housing Authority approval of a bond inducement resolution and an application to the State for an allocation of bond issuing authority for the Sunrise Village Apartments located 130-158 Calle Primera; Westwood Village Apartments located at 4914 Logan Avenue; and Holly Hills Village Apartments located at 6325 Potomac Street ; and
2. That the City Council hold a public hearing ("TEFRA" hearing) and approve a resolution approving the issuance of bonds for the projects by the Housing Authority.

Recommendation No. 2: It is recommended that the Housing Commission approve Litten Financial and Kosmont & Associates, Inc. (MBE-20 percent),

financial advisor; Stradling Yocca Carlson & Rauth and Robinson & Pearman (MBE - 20 percent), bond counsel; and that the Housing commission authorize the Executive Director to designate, if necessary, bond underwriter in accordance with the existing policy.

Fiscal Impact - None. Approval of the resolutions does not commit the Housing Authority to issue bonds. Should the issuance of bonds for the projects be authorized in the future under a separate action by the Housing Authority, the bonds would not financially obligate the City, the Housing Authority or the Housing Commission because security for the repayment of the bonds will be limited to specific private revenue sources identified under the respective financings. All costs of the financings, including compensation for staff work in preparing and administering the bonds will be borne by the participating developers.

WITH RESPECT TO PROJECTS APPLYING FOR HOUSING COMMISSION'S FINANCIAL ASSISTANCE, APPROVAL OF THE ACTIONS REQUIRED BY THE DEADLINES UNDER THE BOND PROGRAM WOULD NOT IN ANY WAY IMPLY ANY COMMITMENT TO PROVIDE THE REQUESTED FUNDS.

Previous Related Action(s) - None.

**102 HCR98-034 - Proposed Acquisition and Rehabilitation of 3820-26 43rd Street by City Heights Community Development Corporation (Council District 3)**

Recommendation No. 1: It is recommended that the Housing Commission recommend approval of a loan of up to \$758,222 to City Heights Community Development Corporation for the acquisition and rehabilitation of 36 units at 3820-26 43rd Street. It is further recommended that the Executive Director be authorized to execute any and all necessary documents subject to approval of General Counsel.

Recommendation No. 2: It is recommended that the Housing Commission approve the subordination of the subject loan to a subsequent Affordable Housing Program (AHP) forgivable loan of \$90,000 if City Heights Community Development Corporation is successful in applying for an AHP loan. It is further recommended that the Executive Director be authorized to execute subordination documents as approved by General Counsel.

Fiscal Impact: This project would utilize up to \$480,121 of HOME funds and \$278,101 of Housing Trust Funds, for a total loan amount of up to \$758,222 with an interest rate of 3 percent simple, a 55-year term, and payments equal to 50 percent of residual project operating receipts.

Previous Related Actions: On February 24, 1998 the Loan Committee voted to

recommend approval of the subject loan to the Housing Commission. On March 10, 1998, the Loan Committee voted to approve a \$15,000 Capacity Building Program Project Support Grant to City Heights Community Development Corporation for this project contingent on Housing Commission approval of the subject loan.

**103 HCR98-036 - FY99 Consolidated Plan (Citywide)**

Recommendation: It is recommended that the Housing Commission review, and comment on, the draft Fiscal Year 1999 City of San Diego Consolidated Annual Plan.

Fiscal Impact: None with this action; however, without a final HUD approved FY99 Consolidated Annual Plan, the City will be ineligible to receive approximately \$28 million in FY99 entitlement funds that support affordable housing and community/economic development activities.

Previous Related Action(s): HUD approved the City of San Diego's Fiscal Year 1996-2000 Consolidated Plan on July 27, 1995. On January 11, 1996 the Housing Commission and the Planning Commission held a joint workshop to consider the comprehensive approach to preparation of the FY 1997 Annual Update to the Consolidated Plan. On April 22, 1996, the City Council approved the Consolidated Annual Plan for FY97. On April 29, 1997, the City Council approved the Consolidated Plan for FY98.

**104 HCR98-033 - FY99 BUDGET WORKSHOP - Allocation of Non-Categorical Funds (Citywide)**

Recommendation: It is recommended that the Board of Commissioners provide direction to staff regarding the FY99 allocation of Non-Categorical revenues.

Fiscal Impact - None with this action.

Previous Related Action(s): None.

**105 HCR98-037 - FY99 BUDGET WORKSHOP -Multifaceted Approach to Affordable Housing (Citywide)**

Recommendation: It is recommended that the Housing Commission discuss the City's previously approved "multifaceted approach" to providing affordable housing and give staff direction on continuance of that strategy.

Fiscal Impact: None with this action.

Previous Related Action(s): None.

### **CLOSED SESSION**

It is anticipated that the San Diego Housing Commission will recess on Monday, March 9, 23, 1998 into Closed Session with the following agenda:

**I. Conference with Legal Counsel - existing litigation, pursuant to California Government Code Section 54956.9(a) and 54954.5(c):**

**(a) SDHC v. Top of the Hills**

San Diego Municipal Court Case No.: 598659

**(b) Hidden Valley Construction v. San Diego Housing Authority**

San Diego Superior Court Case No.: 704467

**II. Conference with Legal Counsel - anticipated litigation pursuant to Government Code Section 54956.9(c) and 54954.5(c):**

(a) More than (1) matter.

**III. Conference with Labor Negotiator - pursuant to California Government Code Section 54957.6:**

Agency Negotiator: Elizabeth Morris and/or Ron Novello for the San Diego Housing Commission

Employee Organization: Social Services Union, Local 535, SEIU, AFL-CIO

**IV. Announcement of Actions Taken in Closed Session**

### **ADJOURNMENT**