



Good Neighbors

San Diego  
Housing Commission

## AGENDA

### AGENDA 503

**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.

**HOUSING AUTHORITY  
OF THE CITY OF SAN DIEGO  
REGULAR MEETING  
TUESDAY, APRIL 7, 1998  
COUNCIL CHAMBERS - 12TH FLOOR  
202 C STREET  
SAN DIEGO, CALIFORNIA  
11:00 A.M.**

### **CALL TO ORDER**

### **PUBLIC COMMENT**

At this time individual(s) may address the Housing Authority on any subject in its area of responsibility on any matter not presently pending before the Authority. Communications are limited to three (3) minutes. Pursuant to the Brown Act, no discussion or action shall be taken by the Authority. Please fill out a **SPEAKER REQUEST FORM** and submit it to the secretary prior to the 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**. This item will then be discussed separately and public testimony taken.

**1      APPROVAL OF THE MINUTES**

Approval of the Minutes of the Meeting of March 17, 1998.

**2      HAR98-006 - Proposed Acquisition and Rehabilitation of 3820-26 43rd Street by City Heights Community Development Corporation (Council District 5)**

**Recommendation #1:** It is recommended that the Housing Authority approve a loan to City Heights Community Development Corporation in the amount of \$808,976 for the acquisition and rehabilitation of 3820-26 43rd Street on condition that \$50,754 (an amount that represents an increase in the developer fee from 3.8 percent to 8 percent) of the loan proceeds be withheld until after rehabilitation is completed and funded only if the appraiser issues an opinion that after rehabilitation value has increased in an amount comparable to the increase in the developers fee.

It is further recommended that the Executive Director be authorized to execute any and all loan documents in accordance with the terms and conditions as set forth in HCR98-034 and subject to approval by General Counsel.

**Recommendation #2:** It is recommended that the Housing Authority 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 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 \$480,121 of HOME funds and \$278,101 of Housing Trust Funds, for a total loan amount of \$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 Action(s):** 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. On March 23, 1998, the Housing Commission approved the loan by a unanimous vote.

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

HOUSING AUTHORITY MEETING OF  
April 7, 1998

**Recommendation #1:** It is recommended that the Housing Authority authorize 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.

**Recommendation #2:** It is recommended that the Housing Authority authorize the Executive Director, upon concurrence by General Counsel, to subordinate the existing Housing Commission's \$2.1 million loan to a three-year, up to \$261,595 secondary financing from Mercy Housing in lieu of the originally anticipated \$209,000 loan from LISC needed to supplement the project's permanent financing, and that the project's overall loan-to-value ratio of 1.15, a requirement set previously by the Housing Authority, not be exceeded.

**Recommendation #3:** It is recommended that the Housing Authority approve the HUD required extension of the term under the Housing Commission's \$2.1 million loan from the existing 30 years to 35 years from the date of the bond closing and to authorize the Executive Director, upon concurrence by General Counsel, to make additional changes in the existing loan documentation, as required by HUD.

**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 both origination and annual administrative fee under the financing will be up to \$10,700 (0.23% of the bond amount).
- 2) Housing Commission will receive \$50,000 from the proceeds of permanent financing in reimbursement of costs incurred under its junior financing.
- 3) If there is no increase in the HUD's appraised value of the project before the closing, the project's overall indebtedness will be reduced by approximately \$410,000, possibly including a reduction in the Housing Commission's existing \$2,065,897 loan.

**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-

HOUSING AUTHORITY MEETING OF

April 7, 1998

289456).

**4     HCR98-038 - Inducement Resolution for a Pool of Three Affordable Multifamily Housing Projects (Council Districts 4 and 8)**

**Recommendation:** It is recommended that the Housing Authority and the City Council take the initial steps toward issuance of approximately \$12,000,000 in tax-exempt housing revenue bonds to finance the acquisition and rehabilitation of Sunrise Village Apartments located at 130-158 Calle Primera; Westwood Village Apartments located at 4914 Logan Avenue; and Holly Hills Village Apartments located at 6325 Potomac Street.

**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):** This item was unanimously approved by the Housing Commission on March 23, 1998.

**ADJOURNMENT**