



Good Neighbors

San Diego
Housing Commission

AGENDA

AGENDA 507

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HOUSING AUTHORITY
OF THE CITY OF SAN DIEGO
REGULAR MEETING
TUESDAY, JULY 28, 1998
COUNCIL CHAMBERS - 12TH FLOOR
202 C STREET
SAN DIEGO, CALIFORNIA
10:00 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 June 30, 1998.

2 HAR98-013 — Issuance of Housing Revenue Bonds for President John Adams Manor Apartments (COUNCIL DISTRICT 4)

Recommendation: It is recommended that the Housing Authority authorize issuance of up to \$10,370,000 of tax-exempt revenue bonds to finance the acquisition and rehabilitation of the 300-unit President John Adams Manor Apartments project located at 5471 Bayview Heights Place by John Adams Limited Partnership.

Fiscal Impact: 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. The Housing Commission's origination fee as well as the annual administrative fee under the financing will be up to \$23,851 (0.23 percent of the bond amount).

Previous Related Action(s): On February 23, 1998, the Housing Commission approved the financing team of Litten Financial and Kosmont & Associates, Inc. (MBE-20 percent), financial advisor; Stradling Yocca Carlson & Rauth and Robinson & Pearman (MBE-20 percent), bond counsel; and Miller & Schroeder, bond underwriter. A bond inducement resolution, a TEFRA resolution and an application for the allocation of bond issuing authority for the project was recommended by the Housing Commission on February 23, 1998 (Report No. HCR98-027) and approved by the Housing Authority and City Council on March 17, 1998 (R-00941 and R-289858). The Housing Commission approved this item on June 22, 1998 (HCR98-079).

3 **HCR98-085 — Proposed Acquisition and Rehabilitation of 3536 43rd Street by City Heights Community Development Corporation (Council District 3)**

Recommendation: It is recommended that the Housing Authority approve an amortized loan of \$122,000 and a residual receipts loan of \$166,448 to Westview Home Apartments, L.L.C. for the acquisition and rehabilitation of a six-unit apartment house at 3536 43rd Street, and that the Executive Director be authorized to execute any and all necessary documents subject to approval of General Counsel.

Fiscal Impact: The project would utilize \$57,448 of Housing Trust Funds and \$231,000 of HOME funds to fund two loans: (1) a \$122,000 loan at three percent interest amortized over 30 years and secured by a first trust deed, and (2) a loan of \$166,448 at three percent interest for 55 years and secured by a second trust deed. Payments on the deferred loan will be equal to half of the residual project operating receipts.

Previous Related Action: None.

4 **HAR98-011 — Financial Assistance to Chicano Federation for the Acquisition and Rehabilitation of Trojan Apartments (Council District 7)**

Recommendation: It is recommended that the Housing Authority approve the Housing Commission's recommendation of a loan of up to \$1,144,817 to Chicano Federation for the acquisition and rehabilitation of the Trojan Apartments. The loan would be a 3-percent residual receipts note secured by a second trust deed.

Fiscal Impact: Approval of this recommendation would result in the expenditure of up to \$409,867 in HOME funds and \$734,950 in Housing Trust Funds.

Previous Related Action: The Housing Commission approved this recommendation at its meeting of June 22, 1998. (HCR 98-084)

5 **HCR98-081 - Palm Vista Apartments (District 8)**

Recommendation: 1) It is recommended that the Housing Authority approve the sale of the 60-unit Palm Vista Apartments located at 2885 Palm Avenue to the San Diego Interfaith Housing Foundation for \$3.8 million; 2) It is recommended that the Housing Authority approve a loan of \$2,079,740 to the San Diego Interfaith Housing Foundation for the acquisition and rehabilitation of Palm Vista Apartments. The loan will be a second trust deed loan with an interest rate of 3 percent simple, a 55-year term, and payments equal to 50 percent of residual project operating receipts.

Fiscal Impact: The total development costs for the project are estimated at \$4.2 million. The approximately \$2.1 million HOME loan would be comprised of two

HOUSING AUTHORITY MEETING OF
July 28, 1998

components. The first component would be the \$230,000 in delinquencies the Housing Commission paid in the foreclosure process to Beal Bank, the holder of the first position note. The second component of the Housing Commission loan, approximately \$1.85 million, would be used to fund acquisition and rehabilitation costs of the project. A conventional loan of approximately \$2.1 million would fund the remaining estimated \$1.5 million in costs associated with the acquisition and rehabilitation, plus reimburse the Housing Commission its original \$579,000 investment of local funds in the project. Revenues from operations, after the permanent financing is in place, are expected to cover all expenses and debt service and create a net annual cash flow of approximately \$23,000 in year one of ownership.

Previous Related Actions: On May 5, 1998, the Loan Committee recommended approval of San Diego Interfaith Housing Foundation for the acquisition, rehabilitation and management of the Housing Commission owned 60-unit Palm Vista Apartments with the further recommendation that the Housing Commission staff provide a loan package for the Loan Committee's consideration at the next available Loan Committee meeting. At its June 2, 1998 meeting, the Loan Committee recommended approval of the loan to San Diego Interfaith Housing Foundation as described in this report. This recommendation was approved by the Housing Commission at its June 22, 1998 meeting (HCR98-081).

ADJOURNMENT