

**HOUSING AUTHORITY
OF THE CITY OF SAN DIEGO
REGULAR MEETING MINUTES
TUESDAY, MARCH 1, 2011**

The Regular Housing Authority Meeting was called to order at 5:07 p.m.

ATTENDANCE

Councilmembers Lightner, Council President Pro Tem Faulconer, Gloria, Council President Young, DeMaio, Zapf, and Alvarez were present. Councilmember Emerald was absent.

Adoption:

1. HAR11-013 - Terramar – Acquisition and Preliminary Bond Items

- City Council Companion Item

A. That the Housing Authority of the City of San Diego approve the following actions:

1. Housing Commission purchase a 1.17 acre property located at 13481 to 13483 Silver Ivy Lane from Pardee Homes for a not to exceed purchase price of \$100.00.
2. Ratify the due diligence budget in the amount not to exceed \$35,000, excluding legal fees, to investigate the condition of the property including, but not limited to, soils and environmental investigation, drainage, accessibility standards and physical condition of the property.
3. Approve a residual receipts loan to Chelsea Investment Corporation (“CIC”) a California limited partnership, in the amount of up to \$2,000,000 as gap financing for the land acquisition and development of 21 units of affordable rental housing.
4. Approve a 55-year residual receipts loan to a to-be formed tax credit limited partnership (“Borrower”) in the amount of up to \$2,099,900 at three percent interest rate with a 50 percent residual receipts loan payment as gap financing for the development of 20 units of affordable rental housing and one manager’s unit.
5. Approve a ground lease of the property to the Borrower for a term of 65 years, with annual ground rent payments of four and one half percent (4.5%) of gross income as available from project cash flow.
6. Authorize the Housing Commission to enter into an Option Agreement whereby the Housing Commission will have the option to purchase the leasehold improvements beginning at the end of the 15-year tax credit compliance period and extending for 36 months, for an amount equal to the greater of: (i) the fair market value of the improvements as rent restricted; or (ii) the sum of: (x) the limited partner project related tax liability; plus (y) the principal of and all accrued interest on the Commission Loan and all other loans secured by the leasehold.

7. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$4,600,000 in Multifamily Housing Revenue Bonds for the project;
 8. Authorize an application (and subsequent applications if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds in an amount of up to \$4,600,000 for the project;
 9. Authorize the President and Chief Executive Officer of the Housing Commission, or a designee, to execute any and all necessary documents and instruments necessary or advisable to implement the forgoing as approved by General Counsel and/or Bond Counsel.
- B. That the City Council hold a public hearing (*known as a TEFRA hearing – Tax Equity and Fiscal Responsibility Act*) and adopt a resolution approving the issuance of tax-exempt bonds in an amount of up to \$4,600,000 for the project by the Housing Authority.

No staff report was requested.

Brant Will from the City Attorney's office informed the Housing Authority that revised resolutions would be issued since there was a mistake on the copies that were provided.

MOTION BY COUNCILMEMBER LIGHTNER TO APPROVE THIS ITEM. SECONDED BY COUNCILMEMBER ALVAREZ AND CARRIED BY A UNANIMOUS VOTE OF 7-0 WITH COUNCILMEMBER EMERALD ABSENT.

Adjournment

Council President Young adjourned the Regular Meeting at 5:09 p.m.