

**HOUSING AUTHORITY
OF THE CITY OF SAN DIEGO
AGENDA FOR
REGULAR HOUSING AUTHORITY MEETING
TUESDAY, JUNE 12, 2012 AT 2:00 PM
COUNCIL CHAMBERS:
202 C STREET, SAN DIEGO, CA 92101**

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Questions Regarding Agenda Items: For specific questions regarding any item on the Housing Authority agenda, please contact Pari Ryan (619) 578-7547. Internet access to agendas and reports is available at www.sdhc.org/Media-Center/SDHC-Meetings/Housing-Authority-Meetings/.

Housing Authority Non-Agenda Comments: Members of the public may address the Housing Authority on items of interest within the Housing Authority's jurisdiction that have not been previously before the Housing Authority. Comments relating to items on today's agenda are to be taken at the time the item is heard.

Adoption:

1. Approval of the minutes of:

May 8, 2012 Regular Meeting

2. HAR12-027 – COMM 22 Senior Housing - Loan Confirmation and Preliminary Bond Items

CITY COUNCIL COMPANION ITEM

Seek Housing Authority of the City of San Diego ("Housing Authority") approval, as described in this report, for the following:

- A. Confirm the Housing Authority's previous \$4,200,000 loan approval (HAR08-009 "Loan Request for Comm 22 Senior Housing") under a revised financing structure as further described in this report.
 - 1) The Housing Commission's proposed loan will be contingent upon the developer receiving all necessary third party funding commitments including approximately \$7,519,940 of 4 percent tax credits, an approximate \$12,915,501 tax-exempt bond financed loan, as well as additional funds from other third-party sources as described in this report.
 - 2) Before closing, as part of the final authorization for bonds issuance, the Housing Commission will verify that the estimated funding sources are adequate and in place,

as determined by the President & Chief Executive Officer of the Housing Commission upon the advice of General Counsel.

- B. Approve initial steps to issue Housing Authority multifamily mortgage revenue bonds for this project, including:
- 1) Issue a bond inducement resolution (Declaration of Official Intent) for up to \$15,500,000 in Multifamily Housing Revenue Bonds.
 - 2) 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 \$15,500,000.
 - 3) Approve a bond financing team of Stradling Yocca Carlson & Rauth as bond counsel and Ross Financial as financial advisor.
 - 4) Request that the City Council hold a Tax Equity and Fiscal Responsibility Act (“TEFRA”) public hearing, and adopt a resolution approving the Housing Authority’s issuance of tax-exempt bonds in an amount of up to \$15,500,000.
- C. Authorize the President & Chief Executive Officer (“CEO”), or his designee:
- 1) To execute any and all documents and instruments, as approved by the President & CEO, General Counsel and bond counsel, and to authorize the President & CEO to perform such acts as are necessary to implement these approvals, and
 - 2) To adjust financing terms/conditions as necessary for consistency with requirements of other funding sources or to accommodate market changes that may occur after approval of this report but before close of escrow. The \$4,200,000 maximum Housing Commission loan amount may not increase.

3. HAR12-024 – Mesa Commons Apartments Loan Recommendation

That the Housing Authority of the City of San Diego (“Housing Authority”):

- 1) Approve a residual receipts loan to Palm Communities in an amount up to \$5,000,000 to be used as gap financing for the construction of 77 units of affordable rental housing and one manager’s unit, contingent upon Palm Communities obtaining all necessary third-party funding commitments, including 9 percent tax credits, as determined by the President & Chief Executive Officer of the Housing Commission, or designee, upon advice of General Counsel.
- 2) Approve entry into an option agreement whereby the Housing Commission will have the option to purchase the property and improvements at the end of the fifteen-year tax credit compliance period, for an amount equal to the greater of fair market value (restricted value of the leasehold) or the sum of exit taxes, forgiveness of all principal and interest on the Housing Commission loan, plus assumption of the first position loan.
- 3) Authorize the President & Chief Executive Officer (“CEO”) of the Housing Commission, or designee:
 - a. To execute all necessary documents and instruments to effectuate the transaction and implement the project, in a form approved by General Counsel, and to take such actions as are necessary to implement the approvals; and

- b. To adjust financing terms/conditions as necessary for consistency with requirements of other funding sources or to accommodate market changes, not to exceed the maximum Housing Commission loan amount of \$5,000,000.

4. HAR12-031 – Amendment of Funding Sources for Otay Villas/Adaptable Housing Preservation Plan

That the Housing Authority of the City of San Diego (“Housing Authority”):

- 1) Authorize the President & Chief Executive Officer (“CEO”), or designee, to substitute previously approved funding sources for the Otay Villas/Adaptable Housing Preservation project with Federal Capital Funds (Cap Fund 502-07) and/or any other available funds as deemed appropriate, contingent upon budget availability.
- 2) Further authorize the CEO, or designee, to take such actions as are necessary, convenient and/or appropriate to implement these approvals by the Housing Authority, upon the advice of General Counsel. This action will also allow the CEO to reduce the amount of the line of credit, if deemed appropriate.

5. HAR12-019 – San Diego Housing Commission Proposed Fiscal Year 2013 Budget

Approval by the Housing Authority of the City of San Diego (“Housing Authority”) of the following:

- 1) Adoption of the San Diego Housing Commission’s (“Housing Commission”) proposed \$349.1 million Fiscal Year 2013 Activity Based Budget (Attachment).
- 2) Housing Authority delegation to the Housing Commission to approve amendments to the Fiscal Year 2013 Budget for the following amounts, consistent with prior delegation of the Housing Authority:
 - a. Line item transfers not to exceed \$500,000 of budget authority that do not impact the overall size of the Housing Authority approved Fiscal Year 2013 Budget;
 - b. Additional funding for the Fiscal Year 2013 Budget resulting from applications submitted with the approval of the Housing Authority; and
 - c. Additions from other sources, not to exceed \$500,000 on an individual basis to the Fiscal Year 2013 Budget which are in addition to funding from applications approved by the Housing Authority of the City of San Diego.
- 3) Housing Commission delegation of authority to the President & Chief Executive Officer (“CEO”) to amend the Fiscal Year 2013 Budget for amounts not to exceed \$100,000 consistent with policies, programs and activities approved by the Housing Commission and Housing Authority.

Adjournment