

HOUSING AUTHORITY OF  
THE CITY OF SAN DIEGO  
RESOLUTION NO. HA- **1508**

DATE OF FINAL PASSAGE **MAR 8 2011**

A RESOLUTION APPROVING A \$700,000 INCREASE OF A PREVIOUSLY APPROVED HOUSING COMMISSION LOAN TO FLORIDA STREET HOUSING ASSOCIATES, L.P. AS GAP FINANCING FOR THE DEVELOPMENT OF 83 UNITS OF AFFORDABLE RENTAL HOUSING AND AUTHORIZING THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE HOUSING COMMISSION OR A DESIGNEE TO EXECUTE ALL NECESSARY DOCUMENTS AS APPROVED BY THE COMMISSION'S GENERAL COUNSEL.

WHEREAS, on January 20, 2009, the Housing Authority of the City of San Diego (Authority) by Resolution No. HA-1405, approved a residual receipts loan of \$4,900,000 (Loan) to Florida Street Housing Associates, L.P., the General Partner of which is Community Housing Works, a California 501(c)(3) nonprofit corporation (Borrower) as gap financing for the acquisition of real property located at 3783-3825 Florida Street in the North Park Redevelopment Project Area (Florida Street Project); and

WHEREAS, the Loan was contingent upon the Borrower receiving tax credit financing and Borrower made application to the California Tax Credit Allocation Committee (TCAC) for 9 percent tax credits on June 9, 2009, and received a perfect competitive score, but did not have a high enough tiebreakers score to win an allocation of tax credits; and

WHEREAS, in order to make its application for tax credits more competitive, Borrower requested additional funding from the Commission; and

WHEREAS, on March 16, 2010, the Authority approved by Resolution No. HA-1452, a residual receipts loan of \$2,487,000 for a combined acquisition, construction and permanent financing loan in the amount of \$7,387,000 to Borrower as gap financing for the Florida Street Project; and

WHEREAS, Borrower again applied for 9 percent tax credits on March 25, 2010, and on July 7, 2010, but neither application was awarded the credits due to other competing projects in the San Diego area; and

WHEREAS, Borrower now proposes to fund the project with non-competitive 4 percent tax credit funding, but such action will create a new gap in financing, therefore Borrower has also requested an increase in the Commission's combined acquisition, construction and permanent financing loan by \$700,000 for a total of \$8,485,568, and this increase was recommended to the Authority by the Housing Commission Board; and

WHEREAS, the Housing Commission Board has recommended that the Commission enter into an Option Agreement whereby the Commission may purchase the Florida Street Project after 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 the limited partner project related tax liability plus the principal of and all accrued interest on the Housing Commission loan and all other loans secured by the property; NOW, THEREFORE,

BE IT RESOLVED, by the Housing Authority of the City of San Diego, that the proposed increase of \$700,000 to the combined acquisition, construction and permanent financing loan to Florida Street Housing Associates, L.P., for a total of \$8,087,000, is hereby approved on the

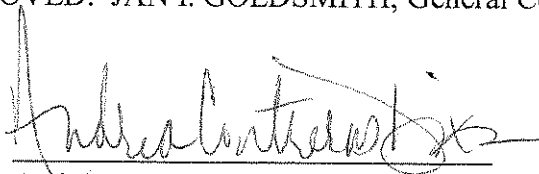
terms and conditions outlined in Housing Commission Report No. HCR 11-018 and Housing Authority Report No. HAR 11-010; and

BE IT FURTHER RESOLVED, that the President and Chief Executive Officer of the Housing Commission (CEO) or a designee is authorized to enter into an Option Agreement whereby the Housing Commission will have the option to purchase the Florida Street Project 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 the limited partner project related tax liability plus the principal of and all accrued interest on the Housing Commission loan and all other loans secured by the property; and

BE IT FURTHER RESOLVED, that the CEO or a designee is authorized to execute any and all necessary documents and instruments as approved by the Commission's general counsel and is authorized to perform any such other acts as are necessary to implement these approvals.

APPROVED: JAN I. GOLDSMITH, General Counsel

By



Andrea Contreras Dixon  
Deputy General Counsel

ACD:cw

02/25/11

Or.Dept:San Diego Housing Commission

PL#2011-05920

Passed and adopted by the Housing Authority of the City of San Diego on March 8, 2011 by the following vote:

	<b>Yeas</b>	<b>Nays</b>	<b>Excused</b>	<b>Not Present</b>
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kevin Faulconer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Anthony Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carl DeMaio	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**AUTHENTICATED BY:**

Anthony Young

Chair of the Housing Authority  
of the City of San Diego, California

Richard C. Gentry

Executive Director of the Housing Authority  
of the City of San Diego, California

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of  
RESOLUTION NO. 1508 passed and adopted by the Housing Authority of the City of San  
Diego, California on March 8, 2011.

By:



**Lisette Diaz**

Deputy Secretary of the Housing Authority  
of the City of San Diego, California