



SAN DIEGO
HOUSING
COMMISSION

MINUTES

SAN DIEGO HOUSING COMMISSION
MINUTES OF THE SPECIAL MEETING
SEPTEMBER 9, 2016
SMART CORNER
4th FLOOR CONFERENCE ROOM
1122 BROADWAY
SAN DIEGO, CALIFORNIA 92101

ATTENDANCE

Present:

Chair Gary Gramling
Commissioner Ben Moraga
Commissioner Margaret Davis
Commissioner Kellee Hubbard
President & CEO Richard C. Gentry
General Counsel Charles Christensen

Absent:

Vice Chair Roberta Spoon
Commissioner Dorothy Surdi
Commissioner Frank Urtasun

10 CALL TO ORDER

Chair Gramling called the Special Meeting to order at 9:10 a.m.

20 NON-AGENDA PUBLIC COMMENT

There was no public comment.

30 COMMISSIONER COMMENTS

There were no Commissioner comments.

40 REPORT BY PRESIDENT & CHIEF EXECUTIVE OFFICER

There was no report by the President & Chief Executive Officer.



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ACTION AGENDA:

105 HCR16-081 Approval of Purchase and Sale of Town & Country Village Apartments by the San Diego Housing Commission and related TEFRA and Bond Inducement Actions

Ted Miyahara, Director of Housing Finance, Real Estate Division presented the request for approval.

Motion by Commissioner Moraga to take the following staff recommendations. Seconded by Commissioner Davis and passed by a vote of 4-0.

That the San Diego Housing Commission (Housing Commission) recommend that the Housing Authority of the City of San Diego (Housing Authority) take the following actions, as described in this report:

- 1) Approve a Purchase and Sale Agreement to purchase that 145-unit property known as the Town & Country Village Apartments, located at 4066 Messina Drive, San Diego, California 92113, on terms and conditions referenced within a Letter of Intent executed by the parties, as approved by General Counsel;
- 2) Authorize the Executive Vice President & Chief of Staff, or designee, to execute such documents, as approved by General Counsel, that are necessary and /or appropriate to carry out the recommendations and actions referenced above;
- 3) Authorize the Housing Commission to enter into an option agreement in favor of a to-be-formed Limited Partnership composed of the Housing Commission's nonprofit affiliate, Housing Development Partners, and Chelsea Investment Corporation, which will grant the to-be-formed Limited Partnership the option to purchase the Housing Commission's fee simple interest in the land and improvements located at 4066 Messina Drive for an amount equal to the appraised fair market value of the land and improvements;
- 4) Approve a loan in an amount not to exceed \$6,500,000 to a to-be formed Limited Partnership consisting of Housing Development Partners or affiliate as the General Partner, Chelsea Investment Corporation or affiliate as the Administrative General Partner, and a tax credit investor as Limited Partner to finance the acquisition and development of the Town & Country Village Apartments;
- 5) Approve the following steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds for the project:



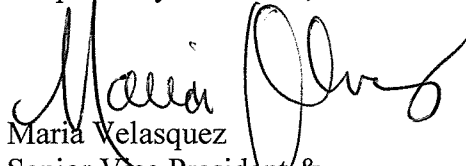
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- a. Issue a bond inducement resolution Declaration of Official Intent for up to \$30,000,000 in Multifamily Housing Revenue Bonds for the development of Town & Country Village Apartments by a to-be-formed limited partnership;
 - b. Authorize an application (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 up to \$30,000,000 for Town & Country Village Apartments;
 - c. Approve the financing team of Orrick Herrington & Sutcliffe LLP as Bond Counsel and Ross Financial as Financial Advisor; and
 - d. Request that the San Diego City Council (City Council) hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of Multifamily Housing Revenue Bonds in an amount up to \$30,000,000
- 6) Authorize the Housing Commission to expend a due diligence budget of up to \$150,000;
- 7) Authorize the Executive Vice President & Chief of Staff, or designee, as described above, to perform such acts as are necessary and/or appropriate to implement the actions authorized above; and
- 8) Authorize the Executive Vice President & Chief of Staff, or designee, to substitute the funding sources with other available funding sources, so long as the total program/project budget amount after substitution does not exceed the approved total budget, should the operational need arise, or should such actions be to the benefit of the Housing Commission and its mission. Funding substitutions will be memorialized in an Information Report at the next scheduled Housing Commission Board meeting.

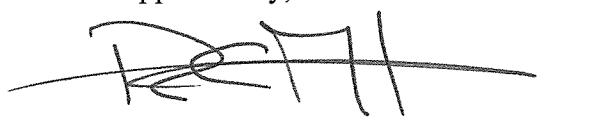
ADJOURNMENT:

Chair Gramling adjourned the Special Meeting at 10:15 a.m.

Respectfully submitted,


Maria Velasquez
Senior Vice President &
Chief Communications Officer
San Diego Housing Commission

Approved by,


Richard C. Gentry
President & Chief Executive Officer
San Diego Housing Commission