

HOUSING AUTHORITY OF
THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA- 1960

DATE OF FINAL PASSAGE September 12, 2022

A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO APPROVING THE SETTLEMENT AGREEMENT BETWEEN THE SAN DIEGO HOUSING COMMISSION, THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO, THE CITY OF SAN DIEGO, JIM NEIL, KIDDER MATHEWS OF CALIFORNIA, INC., KIDDER MATHEWS, INC., RT SAN DIEGO, LLC AND CHATHAM RIMV, LLC AND RELATED ACTIONS

WHEREAS, on or about June 10, 2020, Kidder Mathews of California, Inc. (Kidder California) entered into a Real Estate Broker Agreement with the San Diego Housing Commission (Housing Commission), which named James N. Neil (Neil) as the real estate broker for Kidder California to perform brokerage services for the Housing Commission (Broker Agreement); and

WHEREAS, Neil and Kidder California identified two properties for potential Housing Commission Purchase with public funds: (a) the Kearny Mesa Residence Inn located at 5400 Kearny Mesa Road, San Diego, CA 92111 (Kearny Mesa Property); and (b) the Mission Valley Residence Inn located at 1865 Hotel Circle South, San Diego, CA 92108 (Hotel Circle Property); and

WHEREAS, on or about October 13, 2020, the Housing Authority for the City of San Diego (Housing Authority) approved the purchase of the Kearny Mesa Property from RT San Diego, LLC for \$39,500,000.00 and the Hotel Circle Property from Chatham RIMV, LLC for \$67,000,000.00; and

WHEREAS, Neil and Kidder California were the Housing Commission's real estate broker under the Broker Agreement for both the Housing Commission's purchase of the Kearny Mesa Property and the Hotel Circle Property; and

WHEREAS, Kidder California and Neil were paid a commission by the Housing Commission for the for the Kearny Mesa Property transaction and a commission by RT San Diego for the Mission Valley Property transaction; and

WHEREAS, after identifying the Hotel Circle Property as a potential purchase option for the Housing Commission, but before the close of the Hotel Circle Property transaction, Neil purchased 40,000 shares of stock in Chatham Lodging Trust. Chatham Lodging Trust is the parent company of the Chatham RIMV, LLC, the seller of the Hotel Circle Property; and

WHEREAS, on August 3, 2021, the City Attorney's Office brought an action on behalf of the Housing Commission, the City of San Diego, and the Housing Authority, alleging 13 causes of action for fraud, breach of fiduciary duty, breach of contract and violation of section 1090 against defendants Neil, Kidder Mathews, Inc., and Chatham RIMV, LLC arising from the two transactions (the Action); and

WHEREAS, RT San Diego, LLC and Kidder California were later added as defendants in the Action; and

WHEREAS, the City Attorney's Office recently negotiated a settlement with the Neil, Kidder California, Kidder Mathews, Inc., RT San Diego, LLC and Chatham RIMV, LLC which is documented in a settlement agreement (Settlement Agreement).

WHEREAS, the Settlement Agreement executed by all defendants is attached to Housing Commission Staff Report No. HCR22-102; and

WHEREAS, on August 19, 2022, the Housing Commission Board of Commissioners recommended approval of the Settlement Agreement; and

WHEREAS, Housing Commission staff have determined that this activity is not a project as defined by the California Environmental Quality Act Section 21065 and State CEQA Guidelines Section 15378(b)(5), as it is an administrative activity of government that will not result in direct or indirect physical changes in the environment. The determination that this activity is not subject to CEQA, pursuant to Section 15060(c)(3), is not appealable and a Notice of Right to Appeal the Environmental Determination (NORA) is not required. Processing under the National Environmental Policy Act is not required as no federal funds are involved in this action; NOW, THEREFORE,

BE IT RESOLVED, the Executive Director of the Housing Authority, or designee, is authorized and directed to execute the Settlement Agreement on behalf of the Housing Authority in a final form as approved by counsel for the Housing Authority.

BE IT FURTHER RESOLVED, that the Housing Commission's President & CEO, or designee, is authorized and directed to execute the Settlement Agreement on behalf of the Housing Commission in a final form as approved by counsel for the Housing Authority.

BE IT FURTHER RESOLVED, that the Housing Commission's President & CEO, or designee, is authorized and directed to accept \$845,000.00 from Kidder Mathews, Inc. and Jim Neil.

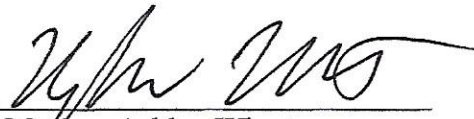
BE IT FURTHER RESOLVED, that the Housing Commission's President & CEO, or designee, is authorized and directed to execute all documents and instruments that are necessary

or appropriate to implement the Settlement Agreement in a final form as approved by counsel for the Housing Authority.

BE IT FURTHER RESOLVED, that the Housing Commission staff is directed to notify the Housing Authority and the City Attorney's Office about any subsequent amendments or modifications to the transaction, and other required documents, including amendments to any documents.

APPROVED: MARA W. ELLIOTT, General Counsel

By


Meghan Ashley Wharton
Senior Deputy General Counsel

MAW:slc
07/28/2022
Or.Dept: Housing Authority
Doc. No. 3043387

Passed and adopted by the Housing Authority of the City of San Diego on September 12, 2022, by the following vote:

	Yeas	Nays	Excused	Not Present
Joe LaCava	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stephen Whitburn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monica Montgomery Steppe	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marni von Wilpert	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Raul Campillo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sean Elo-Rivera	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

Jeff Davis

Interim 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. 1960 passed and adopted by the Housing Authority of the City of San Diego,
California on September 12, 2022.

By:



Scott Marshall

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