

**HOUSING AUTHORITY OF THE  
CITY OF SAN DIEGO  
AGENDA FOR  
REGULAR HOUSING AUTHORITY MEETING  
OCTOBER 13, 2020, AT 11:00 AM OR SOON THEREAFTER  
COUNCIL CHAMBERS: 12<sup>th</sup> FLOOR  
202 C STREET, SAN DIEGO, CA 92101**

**COVID- 19 PUBLIC SERVICE ANNOUNCEMENT REGARDING HOUSING AUTHORITY OF THE CITY OF SAN IDEGO MEETING ACCESS AND PUBLIC COMMENT:**

Until further notice, Housing Authority of the City of San Diego (Housing Authority) meetings will be conducted pursuant to the provisions of [California Executive Order 29-20](#), which suspends certain requirements of the Ralph M. Brown Act, and the [Temporary Rules of Council](#) as approved on April 7, 2020.

During the current State of Emergency and in the interest of public health and safety, most—and possibly all—of the Housing Authority Members will be participating in Housing Authority meetings by teleconference. In accordance with the Executive Order, there will be no members of the public participating in person at the Housing Authority Meetings. We are providing alternatives to in-person attendance for viewing and participating in the meetings.

In lieu of in-person attendance, members of the public may participate and provide comment via telephone, using the City Clerk webform, email submission or via U.S. Mail of written materials, as follows:

**Phone-in Testimony:**

When the Clerk introduces either the item you would like to comment on or the comment period for, Non-Agenda Public Comment or Closed Session Public Comment, follow the instructions within the [“Public Comment Instructions”](#) by dialing the number below to be placed in the queue.

1. DIAL 619-541-6310
2. Enter the Access Code: 877861 then press ‘#’.

**Written Comment through Webform:**

**Comment on Agenda Items** may be submitted using the [webform](#) indicating the agenda item number for which you wish to submit your comment. Comments received by the start of the meeting will be distributed to the Housing Authority Members and posted online with the meeting materials. All webform comments are limited to 200 words. Comments received after the start of the meeting but before the item is called will be submitted into the written record for the relevant item.

**Non-Agenda Public Comment** may be submitted using the [webform](#), checking the appropriate box. Comments received by the start of the meeting will be distributed to the Housing Authority and posted online with the meeting materials. All webform comments are limited to 200 words. Comments received after the start of the meeting but before Non-agenda comment is called will be submitted into the written record for the meeting.

**Written Materials.** If you wish to submit written materials for submission into the record or have an attachment to your comment, you may email it to [cityclerk@sandiego.gov](mailto:cityclerk@sandiego.gov) or submit via U.S. Mail to 202 C Street, MS2A San Diego, CA 92101. Materials submitted via email will be distributed to the Housing Authority Members in accordance with the deadlines described above. Materials submitted via U.S. Mail

will need to be received the business day prior in order for it to be distributed to the Housing Authority Members.

The public may view the meetings on public television (within the City of San Diego only) on City TV Channel 24 for Cox Communications and Time Warner Cable or Channel 99 for AT&T, or [view the meetings online \(link is external\)](#)

### **REQUESTS FOR ACCESSIBILITY MODIFICATIONS OR ACCOMMODATIONS**

As required by the Americans with Disabilities Act (ADA), requests for agenda information to be made available in alternative formats, and any requests for disability-related modifications or accommodations required to facilitate meeting participation, including requests for alternatives to observing meetings and offering public comment as noted above, may be made by contacting the City Clerk at (619) 533-4000 or email [cityclerk@sandiego.gov](mailto:cityclerk@sandiego.gov). The City is committed to resolving accessibility requests swiftly in order to maximize accessibility.

**Questions Regarding Agenda Items:** For specific questions regarding any item on the Housing Authority agenda, please contact [SDHCdocketinfo@sdhc.org](mailto:SDHCdocketinfo@sdhc.org) or 619-578-7550. Internet access to agendas and reports is available at [www.sdhc.org/Media-Center/SDHC-Meetings/Housing-Authority-Meetings/](http://www.sdhc.org/Media-Center/SDHC-Meetings/Housing-Authority-Meetings/).

### **APPROVAL OF HOUSING AUTHORITY MINUTES:**

October 6, 2020, Special Meeting [Minutes](#)

### **NON-AGENDA PUBLIC COMMENT**

### **DISCUSSION AGENDA:**

#### **ITEM 1:      [HAR20-029](#)    [Residence Inn Hotel Circle & Residence Inn Kearny Mesa— Property Acquisition](#)**

That the Housing Authority of the City of San Diego (Housing Authority) take the following actions:

- 1) Ratify the execution of a Purchase and Sale Agreement (PSA) for the property located at 1865 Hotel Circle South, San Diego CA, 92108, (referred to as “Residence Inn Hotel Circle”), dated August 20, 2020, with the seller Chatham RIMV LLC;
- 2) Ratify the execution of the broker’s commission to Kidder Matthews in the amount of \$502,500 for Residence Inn Hotel Circle;
- 3) Authorize the San Diego Housing Commission’s (Housing Commission) President & Chief Executive Officer (President & CEO), or designee, upon satisfactory completion and evaluation of Residence Inn Hotel Circle, during the due diligence period to take such actions and perform such acts as are necessary to acquire Residence Inn Hotel Circle, a 5.06-acre property with improvements, for the price of \$67,000,000. Chatham RIMV LLC shall provide clear fee simple title upon acquisition of the property;
- 4) For Residence Inn Hotel Circle, ratify the funding of the refundable escrow deposit of \$250,000 in accordance with the terms outlined in the PSA, which will be applicable to the purchase price and which deposit will become non-refundable upon the expiration of the due diligence period on November 17, 2020;

- 5) Authorize the Housing Commission's President & CEO, or designee, to execute and record an affordability covenant against the Residence Inn Hotel Circle for 55 years, with 190 units remaining affordable at or below 80 percent of the San Diego Area Median Income (AMI) plus two unrestricted managers' units, for a total of 192 units;
- 6) Authorize the purchase of the Residence Inn Hotel Circle, associated closing costs as well as remediation and upgrades to the property utilizing \$27,700,000 in State of California Department of Housing and Community Development (HCD) Homekey Program (Homekey) Funds; \$32,840,399 in a permanent loan from Chase Bank; \$928,174 in federal Moving to Work (MTW) funds; \$10,000,000 in federal Community Development Block Grant funds; and \$3,500,000 in a Deferred Developer Fee. HCD informed the Housing Commission that it has reserved \$27,700,000 in Homekey grant funds for the Housing Commission for the acquisition of Residence Inn Hotel Circle. However, in the unlikely event that such an HCD grant is not finally committed by HCD, this gap will be filled with \$27,700,000 in eligible funds from the City of San Diego. In addition, the Housing Commission's President & CEO, or designee, is hereby granted the authority to substitute alternative funds, provided that the amount of the substituted funding does not exceed the original funding amount(s), when in the best interests of the Housing Commission and when such funds are available, as referenced in this report;
- 7) Authorize the Housing Commission's President & CEO, or designee, to substitute approved funding sources for Residence Inn Hotel Circle with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the President & CEO, or designee, to take such actions as are necessary, convenient and/or appropriate to implement these approvals, upon the advice of General Counsel;
- 8) Authorize the Housing Commission's President & CEO, and, if and as necessary, the Executive Director of the Housing Authority, or designee, and/or the Executive Vice President and Chief of Staff, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions as are necessary and/or appropriate to implement these approvals upon the advice of General Counsel, to allow the Housing Commission to acquire Residence Inn Hotel Circle on terms and conditions described in this report, as approved by General Counsel of the Housing Commission;
- 9) Approve all budgets associated with Residence Inn Hotel Circle. This includes the transfer and/or reallocation of funds between any and all funding use line items within the total approved development/project budget provided the total project/development budget amount after any and all transfers/reallocations does not exceed the previously approved budget total, in any instances when the operational need(s) arise and/or when such actions are to the benefit of the Housing Commission and its mission;
- 10) Ratify the execution of a PSA for the property located at 5400 Kearny Mesa Road, San Diego, CA 92111 (referred to as "Residence Inn Kearny Mesa"), dated July 20, 2020, with the seller RT San Diego, LLC;
- 11) Authorize the Housing Commission's President & CEO, or designee, upon satisfactory completion and evaluation of Residence Inn Kearny Mesa during the due diligence period to take such actions and perform such acts as are necessary to acquire Residence Inn Kearny Mesa, a 3.63-acre property with improvements for the price of \$39,500,000. RT San Diego, LLC shall provide clear fee simple titles upon acquisition of the property;

- 12) For Residence Inn Kearny Mesa, ratify the funding of the refundable escrow deposit of \$100,000 in accordance with the terms outlined in the PSA, which will be applicable to the purchase price and which deposit will become non-refundable upon the expiration of the due diligence period on November 17, 2020;
- 13) Authorize the Housing Commission's President & CEO, or designee, to execute and record an affordability covenant against the Residence Inn Kearny Mesa for 55 years, with 142 units remaining affordable at or below 80 percent of the San Diego Area Median Income (AMI) and two unrestricted managers' units, for a total of 144 units;
- 14) Authorize the purchase of the Residence Inn Kearny Mesa, associated closing costs as well as remediation and upgrades to the property utilizing \$10,000,000 in State Homekey Funds; \$17,425,852 in a permanent loan, from Chase Bank; \$6,594,517 in MTW funds; \$10,000,000 in City Coronavirus Aid, Relief, and Economic Security (CARES) Act Fund from the City of San Diego; and \$2,469,310 in a Deferred Developer Fee. The State Department of Housing and Community Development (HCD) informed the Housing Commission that it has reserved \$10,000,000 in Homekey grant funds for the Housing Commission for this property acquisition. However, in the unlikely event that such an HCD grant is not finally committed by HCD, this gap will be filled with an additional \$10,000,000 in CARES Act Funds from the City of San Diego. In addition, the Housing Commission's President & CEO, or designee, is hereby granted the authority to substitute alternative funds, provided that the amount of the substituted funding does not exceed the original funding amount(s), when in the best interests of the Housing Commission and when such funds are available, as referenced in this report;
- 15) Authorize the Housing Commission's President & CEO, or designee, to substitute approved funding sources for Residence Inn Kearny Mesa with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the President & CEO, or designee, to take such actions as are necessary, convenient and/or appropriate to implement these approvals, upon the advice of General Counsel;
- 16) Authorize the Housing Commission's President & CEO, and, if and as necessary, the Executive Director of the Housing Authority, or designee, and/or the Executive Vice President and Chief of Staff, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions as are necessary and/or appropriate to implement these approvals upon the advice of General Counsel, to allow the Housing Commission to acquire Residence Inn Kearny Mesa on terms and conditions described in this report, as approved by General Counsel of the Housing Commission;
- 17) Approve all budgets associated with Residence Inn Kearny Mesa, as referenced within this report. This includes the transfer and/or reallocation of funds between any and all funding use line items within the total approved development/project budget provided the total project/development budget amount after any and all transfers/reallocations does not exceed the previously approved budget total, in any instances when the operational need(s) arise and/or when such actions are to the benefit of the Housing Commission and its mission.
- 18) Approve the execution of such funding agreements with the City of San Diego that may be necessary to allow for the acquisition of the Residence Inn Hotel Circle and Residence Inn Kearny Mesa properties, including but not limited to agreements to allow for the substitution of City of San Diego CARES Act Funding in the amount of \$10,000,000.00 in the unlikely event that the reservation of \$10,000,000 in HCD Funds for the acquisition of the Residence Inn Kearny Mesa property is not finally awarded by HCD and to allow for the substitution of eligible funds

from the City of San Diego in the amount of \$27,700,000 in the unlikely event that the reservation of \$27,700,000 in HCD funds for the acquisition of Residence Inn Hotel Circle is not finally awarded by HCD. Housing Commission staff anticipate these funds will be awarded, but because of timing issues to close the purchase of the properties this year, there is not sufficient time to bring another action item forward at a later date, which makes this approval of a substitute funding source necessary. This is also necessary to allow the Housing Commission to submit a Subsidy Lawyering Review (SLR) to the U.S. Department of Housing and Urban Development in a timely manner, which is a prerequisite to final funding from all federal sources of funds.

- 19) Authorize the execution of the First Amendment to the CDBG Affordable Housing Revolving Loan Fund Memorandum of Understanding (MOU) between the City of San Diego and the Housing Commission.

**ITEM 2:      [HAR20-032](#)    [Approval of the Fiscal Year 2021 Agreements Between the San Diego Housing Commission and 1\) People Assisting the Homeless and 2\) Father Joe's Village for the Provision of Services and Property Management Operations in San Diego Housing Commission-Owned Properties That Provide Permanent Housing with Supportive Services](#)**

That the Housing Authority of the City of San Diego (Housing Authority) take the following actions:

- 1) Authorize the San Diego Housing Commission's (Housing Commission) President & Chief Executive Officer (President & CEO), or designee, to execute an initial one-year operating agreement in an amount not to exceed \$2,793,106 with People Assisting the Homeless (PATH) to provide supportive services and property management in a permanent housing development at 1865 Hotel Circle South, San Diego, California 92108; and execute an initial one-year operating agreement in an amount not to exceed \$2,089,008 with Father Joe's Village (FJV) to provide supportive services and property management in a permanent housing development at 5400 Kearny Mesa Road, San Diego, California 92111;
- 2) Authorize the Housing Commission's President & CEO, or designee, to execute all necessary documents and instruments that are necessary and/or appropriate to implement these approvals, in a form and format approved by General Counsel, and to take such actions necessary and/or appropriate to implement these approvals; and
- 3) Authorize the Housing Commission's President & CEO, or designee, to substitute funding sources and/or increase compensation by not more than 20 percent of the total agreement amount for the proposed agreement, if necessary, without further action by the Housing Commission's Board of Commissioners (Board), but only if and to the extent that funds are determined to be available for such purposes.

**Adjournment**