

HOUSING COMMISSION AGENDA

SAN DIEGO HOUSING COMMISSION
REGULAR MEETING AGENDA
DECEMBER 18, 2009, 9:00 A.M.
SMART CORNER
4TH FLOOR CONFERENCE ROOM
1122 BROADWAY
SAN DIEGO, CALIFORNIA

Assistance for the Disabled: Agendas, reports and records are available in alternative formats upon request. Please call the Housing Commission Docket Coordinator at least five days prior to the meeting at **578-7564 (voice) or 398-2440 (TTY)**.

Questions Regarding Agenda Items: For specific questions regarding any item on the Housing Commission agenda, please contact **Lisette Diaz at 578-7564**. Internet access to agendas and reports is available at <http://sdhc.net/CommissionAgenMinRpts.shtml>.

ITEMS

10 **CALL TO ORDER**

Commissioners Jennifer Adams-Brooks, Khadija Basir, Gary Gramling, Sam Guillen, Sal Salas, Allen Sims and Jim Waring

20 **PUBLIC COMMENT**

At this time individuals may address the Commission on any subject in its area of responsibility on any matter not presently pending before the Commission. Communications are limited to three minutes. Pursuant to the Brown Act, the Commission can take no action. Please fill out a **SPEAKER REQUEST FORM** and submit it to the secretary prior to the meeting.

30 **COMMISSIONER COMMENTS**

40 **REPORT BY THE PRESIDENT AND CHIEF EXECUTIVE OFFICER**

50 **APPROVAL OF THE MINUTES**

None.

ADOPTION AGENDA – CONSENT

Members of the public may cause an item to be pulled from the Consent Agenda by submitting a Speaker Request Form prior to the meeting. The item will then be discussed separately and public testimony taken.

100 HCR09-123 2010 Housing Commission Meeting Schedule

Recommendation: That the Housing Commission Board approve the 2010 meeting schedule that includes twelve scheduled meetings to be held at the Housing Commission's office building.

101 HCR09-128 Architectural Services for Design and Construction Monitoring at the Smart Corner (District 2)

Recommendations:

- 1) That the Housing Commission approves the A/E contract to Davis Davis Architects, Inc. in the fixed amount of \$99,500 plus an additional not to exceed \$10,000 to cover for reimbursable expenses for the design and construction monitoring of the second floor tenant improvements at the Smart Corner.
- 2) That the Housing Commission approves a budget revision to transfer funds from building reserves to facilities management contract consultants in the amount of \$109,500 to fund this contract.
- 3) Authorize that the President and Chief Executive Officer or designee be authorized to execute contract documents, in a form approved by General Counsel, and all necessary documents.

102 HCR09-127 Application for Fiscal Year 2011 Community Development Block Grant Funds (Council Districts 2 and 8)

Recommendation: Authorize the President and Chief Executive Officer or designee to apply to the City of San Diego for \$1,500,000 of FY11 CDBG funds for multifamily housing rehabilitation, and execute a contract with the City for the amount allocated to the Housing Commission.

103 HCR09-120 Proposed Fiscal Year 2010 Budget Revision

Recommendation: That the Housing Commission approve the revision (Attachments 1-7) that will result in a net increase to the Fiscal Year 2010 Budget of \$32,682,087 bringing the FY10 Budget to \$318,126,975 and forward the revision to the Housing Authority for final approval.

104 HCR09-121 San Diego County Investment Pool

Recommendation: That the Housing Commission adopt a resolution approving the use of the County of San Diego's investment pool as an acceptable investment option.

105 HCR09-109 Fiscal Year 2009 Annual Finance Audit Report

Recommendation: That the Housing Commission accept the Fiscal Year 2009 Audit Reports prepared by The Reznick Group, an independent audit firm and forward the Audit Report to the City's Audit Committee for review and acceptance prior to distributing the reports to the Housing Authority and interested parties.

106 HCR09-112 Additional Funding to Keyser Marston Associates, Inc. Contract (Citywide)

Recommendations:

- 1) Approve an additional \$100,000 in funding to Keyser Marston Associates, Inc. (KMA), to enable KMA to continue providing previously contracted services to the Housing Commission to assist staff in the financial feasibility analysis of additional affordable housing units under the Commission's Affordable Housing Development Program.
- 2) Approve amending the FY2010 budget to add \$96,900 from the cancellation of prior year unspent funding commitments to the Contract & Consultant line item in the Rental Housing Development activity.
- 3) Authorize the President & Chief Executive Officer or designee to execute an amendment of the current contract to add additional funding in the amount of \$100,000.

107 HCR09-117 Lien Priority Revision - 15th & Commercial Special Needs Housing (Council District 2)

Recommendations:

1. Approve allowing the State Tax Credit Allocation Committee's (TCAC) proposed \$20,000,000 American Recovery and Reinvestment Act of 2009 (ARRA) tax-credits-for-cash exchange funds to be secured in first position priority (as required by TCAC regulations) ahead of the Housing Commission's previously approved residual receipts loan of up to \$3,500,000, to 15th and Commercial L.P., to be developed by S.V.D.P. Management Inc.
2. Use the funds distribution schedule described in this report.

3. Authorize the President and Chief Executive Officer, or his designee,
 - a. To execute any and all documents that he deems necessary to effectuate the transaction and implement the project; and
 - b. To adjust financing terms/conditions as necessary to accommodate market changes and/or TCAC/Treasury Department requirements that may occur after approval of this report but before close of escrow.

108 **HCR09-122** Townspople 34th Street Apartments Loan Assignment (Council District 3)

Recommendation: Authorize transferring the proposed Housing Commission financing of the 34th Street Apartments project from Townspople Corporation, to a single asset entity controlled by Townspople, and authorize the President and Chief Executive Officer or designee to execute necessary documents as drafted and approved by the General Counsel.

109 **HCR09-119** Arbor Village Apartments – Additional Funding Request (Council District 4)

Recommendations:

1. Approve an additional \$1,500,000 in loan proceeds increasing the Housing Commission's total commitment to \$7,900,000 (\$5,460,000 for rehab loan and \$2,440,000 for land acquisition) to assist with completing additional rehabilitation work to the property (3% simple interest, 50% residual receipts, 65-year affordability restrictions) which shall be secured by a leasehold deed of trust.
2. Authorize the President and Chief Executive Officer, or his designee, to:
 - a. execute any and all documents deemed necessary to effectuate the transaction and implement the project;
 - b. adjust financing terms/conditions as necessary to accommodate market changes that may occur after approval of this report but before close of escrow, provided the \$2,440,000 land purchase price and \$5,460,000 maximum loan amount may not increase.

110 **HCR09-113** Time Extension Request for Hotel Churchill (Council District 2)

Recommendations:

1. That the Housing Commission approve an initial 45-day time extension request from December 31, 2009 to February 15, 2010 for

the purposes of closing a loan and subject to the following conditions:

- a. The Owner's execute the loan documents in the amount of \$2,550,000 from Advanced Business Group.
 - b. Upon closing of the loan, the lender shall deposit the net proceeds of approximately \$1,650,000 into a fund control escrow account that will be used specifically to fund the remaining rehabilitation work. The Housing Commission will be responsible for monitoring the construction process and will authorize the release of any and all payments to the contractor.
 - c. The Replacement Housing Agreement and applicable amendments are senior to any deeds of trust.
 - d. The Housing Commission and Owner's execute a subordination agreement to subordinate the existing \$4,250,000 In Lieu Fee Deed of Trust..
 - e. As a condition to the extension and execution of the subordination agreement, the Owner shall execute and record a Performance Deed of Trust to ensure that Owner's maintain affordability requirements for 57 units after rehabilitation has been completed.
2. That the Housing Commission authorize the Chief Executive Officer to approve the remaining time extension of 8.5 months from February 15, 2010 to October 31, 2010, but only after Conditions 1a through 1e above have been successfully and timely accomplished.
 3. That Commission staff is authorized to hire an Owner's Representative in accordance with the Housing Commission's procurement policy to monitor the rehabilitation work and advise the Housing Commission as to appropriate times to release monies from the fund control escrow as payment to the general contractor for work completed.

111 HCR09-107 Hotel Sandford - Property Acquisition (Council District 2)

Recommendations:

1. Authorize the Chief Executive Officer (CEO) to execute any and all documents necessary to allow the Commission to acquire the Property, including the design, rehabilitation and management

services for the property in accordance with the development budget outlined in this report and on terms approved by General Counsel. Further, that the CEO be authorized to execute an Owner's Participation Agreement with the Redevelopment Agency, in a form approved by General Counsel, on terms discussed in this report.

2. The recordation of an affordability covenant against the property for 99 years in length, with 40 percent of the units remaining affordable at, or below, 50 percent of the area median income and the remaining units affordable at, or below, 60 percent of area median income.
3. Option payments to the Owner in the approximate total amount of \$175,000 which will be applicable to the purchase price, but shall be non-refundable upon release.

CLOSED SESSION

It is anticipated that the San Diego Housing Commission will convene in closed session on Friday, December 18, 2009 at 9:00 a.m. with the following agenda:

- I. Announcement by Counsel of the Matters to be discussed in Closed Session and the basis upon which each will be discussed, as referenced within the Brown Act.**
- II. Public Testimony and Comment, if any, concerning any matter on the Closed Session Agenda.**
- III. Commissioner public comments, if any.**
- IV. Commission will convene in closed session to consider the following agenda:**
 - a. Conference with Legal Counsel – Pending Litigation pursuant to subdivision (c) of 54954.5 Government Code and subdivision (a) of Section 54956.9:**

San Diego Housing Commission v. J&J Properties, LLC
San Diego Superior Court, Case No. GIC-858807

J&J Properties, LLC v. San Diego Housing Commission
San Diego Superior Court, Case No. GIC-858800

Counsel's Description of General Nature of Closed Session:
The Commission will seek direction concerning the litigation.

- b. Conference with Real Property Negotiators-Negotiation with Real Property Negotiator pursuant to subdivision (b) of 54954.5 Government**

Code and Section 54956.8:

Property: Smart Corner, 1122 Broadway, Second Floor, San Diego, California

Agency Negotiator: Rick Gentry, Carrol Vaughan, Larry Clemens and Steve Snyder San Diego Housing Commission

Negotiating Parties: Tim Moore, the City of San Diego and the San Diego Housing Commission and the parties set forth above for the Commission Under Negotiation: Real Property Negotiator(s) will seek direction from the Commission concerning price and terms of payment of lease.

- c. Conference with Real Property Negotiators-Negotiation with Real Property Negotiator pursuant to subdivision (b) of 54954.5 Government Code and Section 54956.8:**

Property: Sandford Hotel, 1301 5th Avenue, San Diego, California, Parcel No. 553-453-03.

Agency Negotiator: Rick Gentry, Carrol Vaughan, Larry Clemens, Marco Vakili and Roger Green San Diego Housing Commission

Negotiating Parties: Downtown Senior Center Corporation, a California 501(c)(3) nonprofit corporation, Senior Fifth Avenue Associates - Sandford, a California limited partnership, the Redevelopment Agency of the City of San Diego, the San Diego Housing Commission

Under Negotiation: Real Property Negotiator(s) will seek direction from the Commission concerning price and terms of payment.

- d. Conference with Real Property Negotiator-Negotiation with Real Property Negotiator pursuant to subdivision (b) of 54954.5 Government Code and Section 54956.8:**

Property: 2015 Hancock Street, San Diego, CA 92110; APN: 450-613-08-00

Agency Negotiator: Rick Gentry, Carrol Vaughan, Larry Clemens, Debbie Ruane and Marco Vakili

Negotiating Parties: Owner: Bob Simonson, Comercia Bank; David J. Pasternak, Court Appointed Receiver

Under Negotiation: Price and Term of Pyament for the acquisition of the partially completed 85 unit multifamily project . Real Property Negotiator will seek direction from the Board.

V. Announcement of Actions Taken in Closed Session.

VI. Adjournment.

INFORMATIONAL REPORTS

- HCR09-105 Activity Performance Report – First Quarter FY 2010 (Citywide)
- HCR09-103 Status of Loan Portfolio –First Quarter Fiscal Year 2010
- HCR09-126 Finance Plan- Rate Lock
- HCR09-129 Periodic Status Report on Real Estate Development Loans and Acquisitions
- HCR09-102 Notice of Settlement of Pending Litigation-First Quarter FY 2010 (Citywide)