

**HOUSING AUTHORITY OF THE CITY OF SAN DIEGO
MEETING MINUTES
TUESDAY, JULY 28, 2020
CITY COUNCIL CHAMBERS – 12TH FLOOR**

The Meeting of the Housing Authority of the City of San Diego was called to order at 3:23 p.m.

ATTENDANCE

Present:

Council President Georgette Gómez, District 9
Council President Pro Tem Barbara Bry, District 1
Councilmember Jennifer Campbell, District 2
Councilmember Chris Ward, District 3
Councilmember Monica Montgomery, District 4
Councilmember Mark Kersey, District 5
Councilmember Chris Cate, District 6
Councilmember Scott Sherman, District 7
Councilmember Vivian Moreno, District 8

APPROVAL OF HOUSING AUTHORITY MINUTES:

The minutes of the Regular Housing Authority meeting of June 30, 2020, were approved on a motion by Council President Gómez, seconded by Councilmember Ward, and passed by a vote of 9-0.

NON-AGENDA PUBLIC COMMENT:

Martha Welch commented on housing.
Joy Sunyata commented on the downtown library.

DISCUSSION AGENDA:

ITEM 1: HAR20-025 Application for State of California Housing and Community Development Local Housing Trust Fund Program Funding

Emily Jacobs, Senior Vice President, Housing Finance & Property Management, and Tracey McDermott, Senior Vice President & Chief Financial Officer, San Diego Housing Commission, presented the request for approval.

Martha Welch and Robert Welstand spoke in opposition.
Joy Sunyata spoke in favor.

Motion by Councilmember Ward to approve the staff-recommended actions. Seconded by Councilmember Sherman and passed by a vote of 9-0.

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 apply on behalf of the City of San Diego, for \$5 million in funding from the State of California's Local Housing Trust Fund Program;
- 2) Authorize the President & CEO, or designee, to commit \$5 million in matching funds on a dollar-for-dollar basis from the City of San Diego's (City) Affordable Housing Fund, as required by the Notice of Funding Availability (NOFA) (Attachment 1); and
- 3) Authorize the President & CEO, 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.

ITEM 2: HAR20-026 Hillcrest Inn – Property Acquisition

Michael Pavco, Senior Vice President, Development & Portfolio Management, and Pari Zaker Vice President, Development, San Diego Housing Commission, presented the request for approval.

Martha Welch spoke in opposition.

Joy Sunyata spoke in favor.

Motion by Councilmember Ward to approve the staff-recommended actions. Seconded by Councilmember Sherman and passed by a vote of 9-0.

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 & 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 Hillcrest Inn, the property located at 3754 Fifth Avenue, San Diego, CA 92103 (Property), on terms and conditions described in this report, as approved by General Counsel of the Housing Commission;
- 2) Ratify the execution of a Purchase and Sale Agreement (PSA) dated February 21, 2020, with the seller S Wilson Uptown, Inc. a California Seller ("Seller");
- 3) Authorize the Housing Commission's President & CEO, or designee, upon satisfactory completion and evaluation of the Property during the due diligence period, to take such actions and perform such acts as are necessary to acquire the 0.16 acre Property with improvements for the price of \$8,000,000. The Seller shall provide clear fee simple title upon acquisition of the Property;

- 4) 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 August 19, 2020;
- 5) Authorize the Housing Commission's President & CEO, or designee, to execute and record an affordability covenant against the Property for 65 years, with 36 of the units remaining affordable at or below 80 percent of the San Diego Area Median Income (AMI), four units affordable at or below 120 percent of AMI, and five units affordable at or below 150 percent of AMI;
- 6) Authorize the Housing Commission to provide property management services and hire additional staff, if needed, or procure a new property management company through a competitive Request for Proposal process;
- 7) Authorize the Housing Commission's purchase of the Property, associated closing costs, and remediation and upgrades to the Property utilizing \$4,800,000.00 of U.S. Department of Housing and Urban Development (HUD) Moving to Work (MTW) Funds; up to \$1,008,460 of local funds from the proceeds of the Housing Commission's sale of the Mariner's Village property to Housing Development Partners (HDP), the Housing Commission's nonprofit affiliate; and up to \$4,100,000 of local redevelopment funds;
- 8) Authorize the Housing Commission's President & CEO, or designee, to substitute approved funding sources for the Property 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; and
- 9) Adopt a Resolution making the findings required by Health & Safety Code Section 34340(a)(4) to allow gap funding for middle income households at rents affordable to such households.

Adjournment

Council President Gómez adjourned the meeting at 3:47 p.m.