



SAN DIEGO
HOUSING
COMMISSION

AGENDA

SAN DIEGO HOUSING COMMISSION
REGULAR MEETING AGENDA
SEPTEMBER 6, 2019, 9:00 A.M.
SMART CORNER
4TH FLOOR CONFERENCE ROOM
1122 BROADWAY
SAN DIEGO, CALIFORNIA 92101

Chair Stefanie Benvenuto
Vice Chair Ryan Clumpner
Commissioner Margaret Davis
Commissioner Johanna Hester
Commissioner Kellee Hubbard
Commissioner Frank Urtasun
Commissioner Tim Walsh

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ITEMS

10 CALL TO ORDER

20 NON-AGENDA PUBLIC COMMENT

At this time, individuals may address the San Diego Housing Commission (Housing Commission) on any subject in its area of responsibility that is not presently pending before the Housing Commission. Communications are limited to three minutes. Pursuant to the Brown Act, the Housing 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 & CHIEF EXECUTIVE OFFICER



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50 APPROVAL OF THE MINUTES

July 18, 2019, Regular Meeting

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 will be taken.

All of the actions of the Housing Commission Board listed in the agenda are final seven days after Housing Commission Board action unless the Housing Authority of the City of San Diego asks to review the decision of the Housing Commission Board within the seven day period.

100 [HCR19-104 Appointments to San Diego Housing Commission Strategic Plan Committee](#)

That the San Diego Housing Commission (Housing Commission) Board of Commissioners confirm the following recommended appointments to the Housing Commission’s Strategic Plan Committee: Chair of the Board Stefanie Benvenuto, Vice Chair of the Board Ryan Clumpner, and Commissioner Johanna Hester.

101 [HCR19-101 Preliminary Bond Authorization for Park Crest Apartments](#)

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

Housing Authority:

- 1) Approve the following preliminary steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds to facilitate the acquisition and rehabilitation of Park Crest Apartments (Park Crest), a 140-unit apartment complex located in the Mountain View Neighborhood of San Diego, with 139 affordable units that will remain affordable for another 55 years and one manager’s unit, located at 4531 Logan Avenue, San Diego, California 92113:
 - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$38,000,000 in Multifamily Housing Revenue Bonds for the development of Park Crest by a limited partnership formed by Fairfield Park Crest L.P.;
 - 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 \$38,000,000 for Park Crest Apartments;
 - c. Approve the financing team of Kutak Rock as Bond Counsel and PMF as Financial Advisor; and



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- 2) Authorize the Housing Commission President & Chief Executive Officer (President & CEO), or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by General Counsel and bond counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of General Counsel and/or the bond counsel.

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 \$38,000,000 to facilitate the development of Park Crest.

102 [HCR19-103](#) [Loan Modification and Preliminary Bond Authorization for Grant Heights Apartments and Winona Apartments](#)

Seven-day advance notice of San Diego Housing Commission hearing of the following matter has been provided to the Housing Authority Members pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(4)(a)(b) for Staff Recommendations Nos. 1 – 4.

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

Housing Commission:

Authorize the Housing Commission’s President and Chief Executive Officer (President & CEO), or his designee, to take the following actions:

- 1) For the Grant Heights Apartments (Grant Heights), located at 2651-2663 J Street, San Diego:
 - a. Approve the proposed ownership transfer from the current owner/borrower, Urban Housing/Grant Heights LP (UHGH), to a to-be-formed limited partnership;
 - b. Execute any and all necessary documents and instruments to effectuate the transfer to a to-be-formed limited partnership of the covenants and provisions in the Housing Commission and UHGH’s existing February 12, 2002 “Acquisition, Rehabilitation and Permanent Financing Agreement” and the related February 12, 2002 “Declaration of Covenants, Conditions and Restrictions,” including extending the affordability term, as described herein;
 - c. Adjust financing terms/conditions, as necessary, for consistency with requirements of other funding sources or to accommodate market changes that may occur;
 - d. Approve the to-be-formed limited partnership’s assumption of the Housing Commission’s existing residual receipt loan, along with a 50 percent pay down of the Housing Commission’s outstanding loan amount at escrow closing/bond issuance;
- 2) For the Winona Avenue Apartments (Winona), located at 3845 Winona Avenue, San Diego:



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- a. Approve the development's proposed ownership transfer from the current owner, San Diego Community Housing Corporation (SDCHC), to a to-be-formed new limited partnership;
 - b. Execute any and all necessary documents and instruments to effectuate the transfer to a to-be-formed limited partnership of the covenants and provisions in the Housing Commission and SDCHC's July 16, 1997 "Declaration of Covenants, Conditions and Restrictions," including extending the affordability term, as described herein;
 - c. Adjust financing terms/conditions, as necessary, for consistency with requirements of other funding sources or to accommodate market changes that may occur;
- 3) Approve combining Grant Heights and Winona, into one project to be called Grant Heights II; and
- 4) Authorize the Housing Commission's President & CEO, or designee, to take such actions as are necessary, convenient and/or appropriate to implement these approvals and delegate authority by the Housing Commission upon advice of the General Counsel:

The proposed approval of these recommendations will be contingent upon the co-developers receiving all necessary third-party funding commitments as described in this report. Such third-party funding commitments will be subject to the Housing Commission's General Counsel's approval.

Housing Authority:

- 5) Approve the following steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds for Grant Heights II:
 - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$9,000,000 in Multifamily Housing Revenue Bonds for the acquisition and rehabilitation of Grant Heights II 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 Multifamily Housing Bonds in an amount up to \$9,000,000 for Grant Heights II. Issuance of the bonds will require Housing Authority approval at a later date;
 - c. Approve a bond financing team of Quint & Thimmig L.L.P. as Bond Counsel, and PFM Group as Bond Financial Advisor;
- 6) Authorize the Housing Commission's President & CEO, or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by the General Counsel and the Bond Counsel, and to take such actions as are necessary, convenient and/or appropriate to implement these approvals upon advice of the General Counsel and/or the Bond Counsel; and

City Council

Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing, and adopt a resolution approving the Housing Authority's issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$9,000,000 for the acquisition and rehabilitation of Grant Heights II.



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103 [HCR19-064 Preliminary Bond Authorization for Mission Terrace Apartments](#)

Seven-day advance notice of San Diego Housing Commission) hearing of the following matter has been provided to the Housing Authority Members pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(4)(a)(b) for Staff Recommendation No. 1.

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

Housing Commission:

- 1) Authorize the Housing Commission's President and Chief Executive Officer (President & CEO), or designee, to take the following actions.
 - a. Approve the development's proposed ownership transfer from the current owner/borrower, Mission Terrace Associates L.P. (MTA), to Mission Terrace Housing Partners L.P. (MTHP), a new limited partnership formed by San Diego Interfaith Housing Foundation (Interfaith);
 - b. Execute any and all necessary documents and instruments to effectuate the transfer, to MTHP, of the covenants and provisions in the Housing Commission and MTA's existing August 31, 1994 "*Amended Acquisition, Construction, and Permanent Financing Loan Agreement*" (the Loan Agreement) and the related June 30, 1994, "*Declaration of Covenants and Restrictions*" including without limitation, Assignment and Assumption Agreements, and/or Amended, and, potentially a Restated Declaration of Covenants Conditions and Restrictions, and, any and all other agreements deemed necessary by the General Counsel of the Housing Commission;
 - c. Adjust financing terms/conditions, as necessary, for consistency with requirements of other funding sources or to accommodate market changes that may occur;
 - d. Implement Interfaith's desired payoff of the Mission Terrace existing residual receipts loan owed to the Housing Commission;
 - e. Take such actions as are necessary, convenient, and/or appropriate to implement these approvals and delegation of authority by the Housing Commission upon advice of the General Counsel.

The proposed approval of these recommendations will be contingent upon the developer receiving all necessary third-party funding commitments as described in this report. Such third-party funding commitments will be subject to the Housing Commission's General Counsel's approval.

Housing Authority:

- 2) Approve the following steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds or Notes for Mission Terrace:
 - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$12,000,000 in tax-exempt Multifamily Housing Revenue Bonds or Notes for the acquisition and rehabilitation of Mission Terrace by MTHP;
 - b. Authorize an application (and subsequent applications if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of



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- authority to issue tax-exempt Multifamily Housing Bonds in an amount up to \$12,000,000 for Mission Terrace. Issuance of the Bonds or Notes will require Housing Authority approval at a later date;
- c. Approve the bond financing team of Kutak Rock LLP as Bond Counsel, and PFM Group as Financial Advisor; and
- 3) Authorize the Housing Commission President & CEO or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by the General Counsel and the Bond Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of the General Counsel and/or the Bond Counsel.

City Council:

Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing, and adopt a resolution approving the Housing Authority's issuance of tax-exempt Multifamily Housing Revenue Bonds or Notes in an amount up to \$12,000,000 for the acquisition and rehabilitation of Mission Terrace.

104 [HCR19-097](#) [SDHC Strategic Plan 2016 – 2020 Workshop](#)

NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION

A workshop will be presented to the San Diego Housing Commission (Housing Commission) Board of Commissioners with an update of the progress made in the third fiscal year of the four-year Strategic Plan.



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CLOSED SESSION

It is anticipated that the San Diego Housing Commission will convene in closed session on Friday, September 6, 2019 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 comments, if any.
- IV. Commission will convene in closed session to consider the following agenda:
 - A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION pursuant to subdivision (c) of section 54954.5 of the Government Code and pursuant to subdivision (d)(1) of section 54956.9:

Two (2) matters:

Patrice Baker, et. al. vs City of San Diego; et. al. United States District Court for the Southern District of California

Counsel will discuss the litigation and seek direction from the Board on the defense of the case.

San Diego Tenant Union, and Darlissa McDowell vs. San Diego Housing Commission, San Diego Superior Court Case No. 37-2019-00012582-CU-WM-CTL

Counsel will discuss the litigation and seek direction from the Board on the defense of the case.
 - B. Public Employee Performance Evaluation pursuant to subdivision (e) of 54954.5 Government Code and Section 54957:

Title: President & Chief Executive Officer

General Counsel Description: Annual Performance Evaluation for President & CEO of the San Diego Housing Commission
- V. Announcement of Actions Taken in Closed Session.
- VI. Adjournment.



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INFORMATIONAL REPORTS

[HCR19-082](#) **[City of San Diego Affordable Housing Fund Fiscal Year 2019 Annual Report](#)**

[HCR19-098](#) **[San Diego Housing Commission Semi-Annual Grant Report January 1, 2019 through June 30, 2019](#)**

[HCR19-083](#) **[June and July 2019 Reporting Update for the City of San Diego's Bridge Shelter Programs](#)**

[HCR19-084](#) **[June 2019 and July 2019 Reporting Update for City of San Diego's Storage Connect Center](#)**