



SAN DIEGO  
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# San Diego Housing Commission (SDHC) Approval of Substitution of Casa Colina, LP Limited Partner

Presentation to the SDHC Board of Commissioners  
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Colin Miller  
Vice President, Multifamily Housing Finance  
Real Estate Division



# SDHC – Casa Colina

## Staff Recommendations

### **That the San Diego Housing Commission (SDHC) take the following actions:**

1. Approve the substitution of HDP Casa Colina Management, LLC, a single-asset corporation of Housing Development Partners (HDP), SDHC's nonprofit affiliate, to replace NEF Assignment Corporation, an affiliate of National Equity Fund, as the limited partner of Casa Colina, LP, contingent on HDP obtaining additional required approvals;
2. Authorize SDHC's Executive Vice President & Chief of Staff (Executive Vice President), 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 take such actions as are necessary and/or appropriate to implement these approvals;



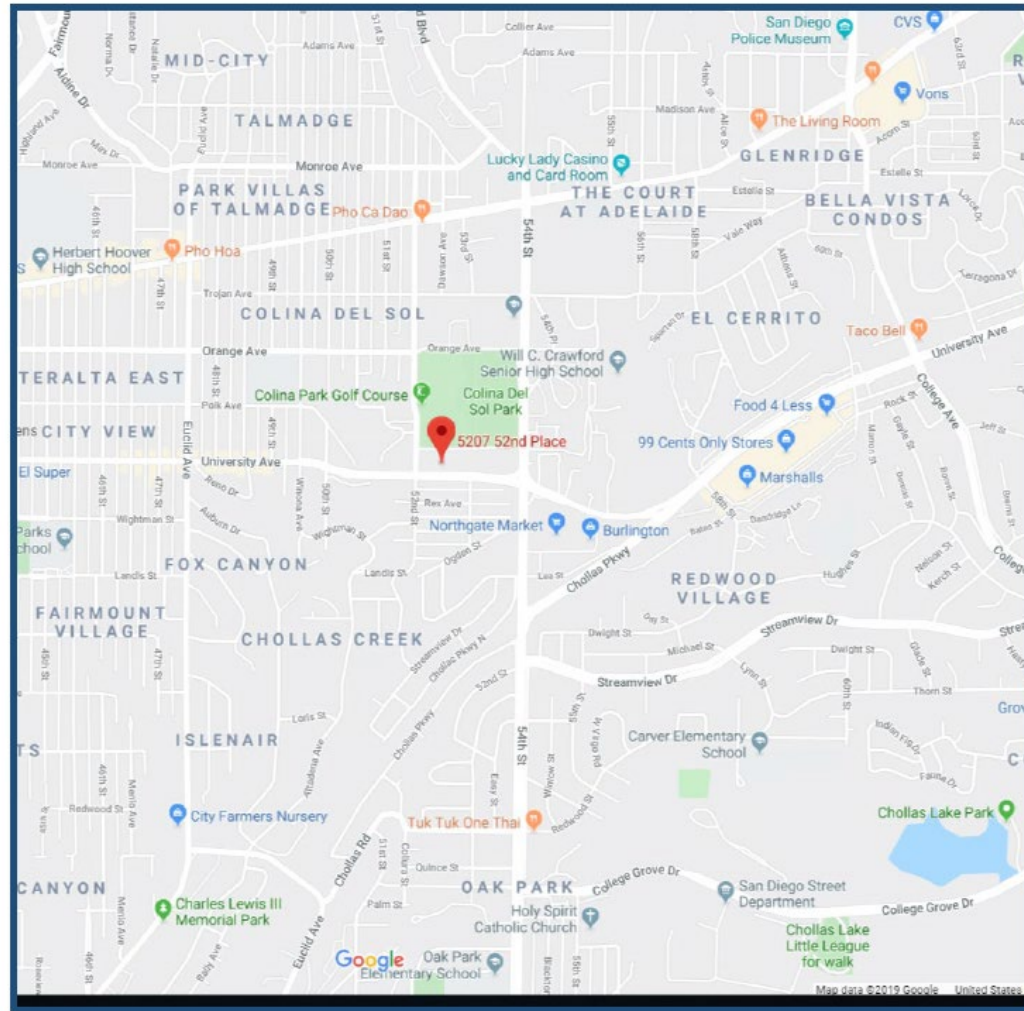
# SDHC – Casa Colina

## Staff Recommendations (Continued)

3. Require Housing Development Partners (HDP) to grant to SDHC a Year-15 option to purchase Casa Colina;
4. Require SDHC's approval of the amended and restated Articles of Limited Partnership reflecting the substitution of the limited partner; and
5. Confirm SDHC's decision to remain as the 0.00 percent special limited partner of Casa Colina, LP.



# SDHC – Casa Colina Location Map



# SDHC – Casa Colina Development Summary

- Casa Colina is a 75-unit property located at 5207 52<sup>nd</sup> Place in the northeast section of City Heights.
- Casa Colina, LP was formed in 2004 with HDP as the managing general partner and NEF Assignment Corporation as the investor limited partner.
- SDHC is Special Limited and has the ability to replace the general partner (HDP) in the event of a default, but does not have the obligation to acquire the property improvements at the end of the 15-year tax credit compliance period.
- Casa Colina, LP fulfilled it's 15-year Low Income Housing Tax Credit (LIHTC) compliance period in 2019.



# SDHC – Casa Colina

## Development Summary (Continued)

- NEF has elected to exit the partnership and has agreed to sell its limited partnership interest to HDP for \$1.
- HDP has formed HDP Casa Colina Management, LLC to replace NEF Assignment Corporation as the new limited partner.
- SDHC holds a right of first refusal to purchase either the property or the limited partnership interest of Casa Colina, LP. In lieu of exercising this right of first refusal to exercise the purchase option, staff requests that SDHC allow HDP to remain as the managing general partner and HDP Casa Colina Management, LLC to replace NEF Assignment Corporation as the limited partner.
- The HDP Board of Directors approved the substitution on September 18, 2019.



# Questions?

