

**HOUSING AUTHORITY
OF THE CITY OF SAN DIEGO
REGULAR MEETING MINUTES
TUESDAY, DECEMBER 10, 2019
CITY COUNCIL CHAMBERS – 12TH FLOOR**

The Meeting of the Housing Authority of the City of San Diego was called to order at 3:14 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 October 29, 2019, were approved on a motion by Councilmember Campbell, seconded by Councilmember Montgomery, and passed by a vote of 9-0.

NON-AGENDA PUBLIC COMMENT

Izean Rim commented on homelessness.
Joy Sunyata commented on housing preservation.
Martha Welch commented on housing.

DISCUSSION AGENDA:

ITEM 1: HAR19-048 Approval of the Contract Amendment between the San Diego Housing Commission and Father Joe's Villages to operate the City of San Diego's Bridge Shelter for Families and Single Women

City Council Companion Item

Lisa Jones, Senior Vice President, Homeless Housing Innovations, and Casey Nguyen, Director, Housing First Administration, Homeless Housing Innovations, San Diego Housing Commission, presented the request for approval.

Martha Welch commented in favor.

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

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

Housing Authority:

- 1) Approve an amendment to the operating agreement with Father Joe's Villages (FJV) for the operation of the City of San Diego's Bridge Shelter for Families, Single Women and expansion to Transitionally Aged Youth (TAY), in the amount of \$4,176,155.85. The award includes the addition of \$686,722.36 to the original amount approved by the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) on May 3, 2019, and the Housing Authority on June 11, 2019, to accommodate increased costs to maintain the original 141 beds provided at the Concourse location. In addition the award includes \$1,016,942.49 in operating costs to support an additional 138 beds, for a total bed count of 279. Funding will be provided from previously approved Housing Commission Property Reserves of \$2,472,491, new proposed City of San Diego allocations of State of California Homeless Emergency Aid Program (HEAP) funds of \$705,521, Low Income Housing Revenue Funds of \$257,372 and City of San Diego General Funds of \$951,459.58, for a total project cost of \$4,386,843.58, which encompasses \$4,176,155.85 for the operator agreement, \$99,084.98 for ramp-up supplies for the additional persons served, and \$111,602.75 in contingency funding for unanticipated costs related to the expansion activities; no federal funding will be used on this project;
- 2) Authorize the President & Chief Executive Officer (President & CEO) of the Housing Commission, or designee, to execute all 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;
- 3) Authorize the President & CEO, or designee, to substitute funding sources and/or increase compensation by not more than 10 percent of the total agreement amount for the proposed agreement, if necessary, without further action by the Housing Commission Board or the Housing Authority, but only if and to the extent that funds are determined to be available for such purposes; and
- 4) Approve an amendment to the current Memorandum of Understanding between the City of San Diego and the Housing Commission for the oversight and administration of the City's Bridge Shelters to include expanding the target population(s) to be served by the Bridge Shelter for Families and Single Women to include Transitionally Aged Youth and to amend the Housing Commission's and City's responsibilities related to the expansion and ongoing operations.

City Council:

- 1) Approve an amendment to the current Memorandum of Understanding between the City of San Diego and the Housing Commission for the oversight and administration of the City's Bridge Shelters to include expanding the target population(s) to be served by the Bridge Shelter for Families and Single Women to include Transitionally Aged Youth and to amend the Housing Commission's and City's responsibilities related to the expansion and ongoing operations;

- 2) Authorize the Chief Financial Officer to allocate and transfer an amount, not to exceed, \$951,459.58 from Fund No. 100000 using savings from other currently budgeted Bridge Shelters and \$257,372 from the Low Income Lease Revenue Fund, to the San Diego Housing Commission for Fiscal Year 2020 operational and ramp-up costs to support the expansion of Golden Hall. Council specifically grants such authority pursuant to the provisions of City Council Resolutions R-224179 and R-218880; and
- 3) Authorize the Chief Financial Officer to transfer an amount not to exceed \$705,521 from Fund No. 600001, Grant No. 1000543-2019 to the San Diego Housing Commission for the expansion of the bridge shelter at Golden Hall.

Council Actions Nos. 2 and 3 equate to a total approval request of \$1,914,352.58, which will provide sufficient operating funds for Fiscal Year 2020 to support the current 141 beds, and the addition of 138 beds for a total bed availability of 279 beds, as well as \$99,084.98 for ramp-up supplies for the additional persons served, and \$111,602.75 in contingency funding for unanticipated costs related to the expansion activities. Due to the use of savings, there is no additional General Fund impact to the City, however future funding sources have not been identified at this time.

Council President Gómez adjourned the Regular Meeting at 3:39 p.m. to convene as the City Council. Council President Gómez reconvened the Regular Meeting of the Housing Authority at 3:40 p.m.

ITEM 2: HAR19-044 Preliminary Bond Authorization for Mercado Apartments

City Council Companion Item

Colin Miller, Vice President, Multifamily Housing Finance, San Diego Housing Commission, presented the request for approval.

Robert McNamara commented in favor.

Motion by Councilmember Moreno 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, as described in this report.

- 1) Approve the following preliminary steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds to facilitate the development of Mercado Apartments, a 144-unit affordable housing development, located in the Barrio Logan Neighborhood, which will include 142 units that will remain affordable for 55 years:
 - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$35,000,000 in Multifamily Housing Revenue Bonds for the development of Mercado Apartments by a limited partnership formed by MAAC Housing Corporation, (Mercado 2019 LP);

- 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 \$35,000,000 for Mercado Apartments; and
 - c. Approve the financing team of Orrick, Herrington and Sutcliffe LLC as Bond Counsel and CSG Advisors as Financial Advisor;
- 2) Authorize the San Diego Housing Commission (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.

Council President Gómez adjourned the Regular Meeting at 3:44 p.m. to convene as the City Council. Council President Gómez reconvened the Regular Meeting of the Housing Authority at 3:45 p.m.

ITEM 3: HAR19-034 Final Bond Authorization for Mariner’s Village

City Council Companion Item

Colin Miller, Vice President, Multifamily Housing Finance, San Diego Housing Commission, presented the request for approval.

Motion by Councilmember Montgomery to approve the staff-recommended actions. Seconded by Councilmember Moreno 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 issuance of up to \$42,000,000 in Multifamily Housing Revenue Bonds to facilitate HDP Mariner’s Village, LP’s comprehensive rehabilitation of Mariner’s Village, located at 6847 Potomac Street, San Diego, CA 92139, which will consist of 170 units that will remain affordable for 55 years and two unrestricted managers’ units;
- 2) Authorize the San Diego Housing Commission (Housing Commission) to enter into a long-term (65-year) Ground Lease between Housing Development Partners (HDP), or HDP Mariner’s Village, LP of which HDP is the managing member (Designee) and the Housing Commission, as well as a Purchase and Sale Agreement for all of the improvements located on the Property, which is the subject of the Ground Lease, which taken together will result in the transfer of the Mariner’s Village, on the terms and conditions described in this report, as approved by General Counsel of the Housing Commission, provided that the leasehold value and the purchase and sale price for the improvements together, are fair and reasonable and represents the fair market value for the acquisition of the ground lease and for the purchase of the improvements located on the property, in accordance with the terms of the Housing Commission’s Disposition Policy;

- 3) Authorize the Executive Vice President & Chief of Staff (Executive Vice President), or designee, to approve a deviation from Section 4.4 of the Housing Commission Bond Policy PO300.301, allowing Citibank the ability to transfer the Bonds to a trust or custodial arrangement established by Citibank, an affiliate or a governmental entity, the beneficial interest in which will be owned by a qualified institutional buyer or rated in the “BBB” category by a nationally recognized rating agency. Citibank will require the ability to transfer the Bonds without obtaining a similar set of representations required at initial purchase and without regard to minimum denominations; and
- 4) Authorize the Executive Vice President, or designee, to execute any and all other documents and instruments that are necessary and/or appropriate to implement the contemplated transaction, in a form approved by General Counsel, and to take such actions as are necessary and/or appropriate to implement the contemplated transaction upon the advice of General Counsel.

Council President Gómez adjourned the Regular Meeting at 3:47 p.m. to convene as the City Council. Council President Gómez reconvened the Regular Meeting of the Housing Authority at 3:48 p.m.

ITEM 4: HAR19-046 Preliminary Bond Authorization for Fairbanks Terrace II

City Council Companion Item

Colin Miller, Vice President, Multifamily Housing Finance, San Diego Housing Commission, presented the request for approval.

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

That the Housing Authority of the City of San Diego (Housing Authority) take the following actions as described in this report.

- 1) Approve the following preliminary steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds for Fairbanks Terrace II, a proposed 31-unit affordable rental housing development, located at the southeast corner of Templeton Street and Paseo del Sur, San Diego 92127, which will include 30 units that will remain affordable for 55 years:
 - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$7,800,000 in Multifamily Housing Revenue Bonds for the development of Fairbanks Terrace II by Fairbanks Terrace II CIC, LP;
 - 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 \$7,800,000 for Fairbanks Terrace II; and
 - c. Approve the financing team of Orrick, Herrington and Sutcliffe LLC as Bond Counsel and CSG Advisors as Financial Advisor;

- 2) Authorize the San Diego Housing Commission (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.

Council President Gómez adjourned the Regular Meeting at 3:48 p.m. to convene as the City Council. Council President Gómez reconvened the Regular Meeting of the Housing Authority at 3:49 p.m.

ITEM 5: HAR19-033 Final Bond Authorization for Keeler Court Apartments

Colin Miller, Vice President, Multifamily Housing Finance, San Diego Housing Commission, presented the request for approval.

Motion by Council President Gómez 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) authorize the issuance of up to \$25,000,000 in tax-exempt Multifamily Housing Revenue Bonds to facilitate Keeler Court Housing Associates, LP's acquisition and construction of Keeler Court Apartments, a 71-unit new rental housing development, located at 1290-1294 Keeler Court, San Diego, California 92113, in the Southeastern Community Planning Area of Council District 9, which will consist of 70 units that will remain affordable for 55 years and one unrestricted manager's unit.

Adjournment

Council President Gómez adjourned the Regular Meeting at 3:51 p.m.